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Marriage / Mariage

Lorsqu'ils n'établissent pas de contrat au moment de se marier les époux adoptent souvent sans le savoir le régime légal de communauté d'acquêts. Conçu pour le cas général, il trouve cependant ses limites dès que se présente une situation familiale ou patrimoniale particulière.Il en est ainsi notamment lorsque les époux exercent une profession indépendante entraînant des risques financiers. Il faut alors se tourner vers un autre statut mieux adapté	When spouses don't draw up a pre-nuptial agreement, they often subject themselves unknowingly to the statutory regime known as *communauté d'acquêts* (ownership in common of property acquired during the marriage). This regime, designed for general cases, has certain limitations when a particular situation arises in relation to family matters or assets. This is especially true when spouses carry on an independent profession entailing financial risks. In this case, a more appropriate status is advisable.

HAUT DE PAGE

PACS Civil solidarity pacts

Conséquences fiscales du pacte civil de solidarité (PACS)
The tax implications of a civil solidarity pact (PACS)

Le pacte civil de solidarité (pacs) est un contrat conclu entre deux personnes de sexe différent ou de même sexe pour organiser leur vie commune. Les partenaires ont l'obligation de s'apporter une aide matérielle mutuelle et sont tenus solidairement pour les dettes de la vie courante et les dépenses de logement. Chaque partenaire peut librement mettre fin au pacte civil de solidarité après un préavis de trois mois et quelques formalités. Mais quelles sont les conséquences fiscales d'un pacs ? Elles touchent principalement à l'impôt sur le revenu et à l'impôt sur la fortune ainsi qu'aux droits de donation et de succession. Les candidats au pacs doivent bien connaître ses effets fiscaux avant de le signer. Tout d'abord, à compter de l'imposition des revenus de 2004 les personnes liées par un pacs sont imposées selon les mêmes modalités que les personnes mariées. Pour l'impôt sur le revenu, les partenaires font l'objet d'une imposition commune dès la souscription du pacs. La déclaration de revenus est signée par les deux partenaires et la feuille d'imposition est établie à leurs deux noms. L'administration fiscale pourra réclamer la totalité de l'impôt sur le revenu à l'un ou à l'autre des partenaires, de même pour les contrôles fiscaux ultérieurs : c'est la	The civil solidarity pact (*pacte civil de solidarité*, or PACS) is a contract between two people, of the same or different sex, that provides a formal structure for their life together. Each partner is required to give material assistance to the other, and they are jointly responsible for the cost of housing and other day-to-day expenses. Either partner is free to terminate the civil solidarity pact with prior notice of three months after complying with a few formalities. But how will a PACS affect you from a tax standpoint? Its primary impact is on income tax and wealth tax as well as gift and estate taxes. Those interested in forming a PACS should be aware of its potential impact on their tax liability before signing. First of all, with regard to income tax, the partners are subject to joint taxation beginning in the third year after they register their PACS. In other words, those who registered a civil solidarity pact in 2000 will be taxed jointly on their 2003 income. The tax return is signed by both partners and filed under both names. The tax authorities may claim the entire income tax liability from either partner, and either may be subjected to tax audits in the future. Employed same-sex partners who wish to deduct actual work-related commuting expenses may do so, although in the past this option was reserved for heterosexual couples. In the event that the PACS is formally ended, each partner once again becomes personally liable for tax on income earned during the year of the break-up.

solidarité. En cas de rupture du pacs, chacun des partenaires redevient personnellement imposable en son nom propre au titre des revenus dont il aura eu la disposition entre la date de rupture et le 31 décembre de l'année de la rupture. Pour l'impôt sur la fortune, les partenaires sont également imposés en commun. Ils signent conjointement la déclaration et sont solidaires pour le paiement de l'impôt et les éventuels contrôles fiscaux ultérieurs. En ce qui concerne les droits de donation, les partenaires bénéficient d'un abattement de 57 000 euros (€). Au-delà, l'administration fiscale perçoit des droits au taux de 40% jusqu'à 15 000 € et de 50% pour le surplus. Précisons qu'en plus de ces règles spécifiques au pacs, des dispositions plus générales s'appliquent. Ainsi, le fisc « oublie » les donations après dix ans. A l'issue de ce délai, l'abattement de 57 000 € est à nouveau disponible pour une nouvelle transmission à titre gratuit. Des réductions de droits sont également accordées en fonction de l'âge de celui qui donne (le donateur). Plus on donne jeune, moins il y a de droits à payer. Enfin pour les droits de succession, la fiscalité est la même que celle des donations, à l'exception des réductions en fonction de l'âge qui ne sont jamais applicables aux successions. N'hésitez pas à interroger votre notaire sur ce contrat qui ne doit pas être rédigé ni signé à la légère. Demandez-lui d'analyser votre situation personnelle et patrimoniale afin de choisir la solution la mieux adaptée à vos souhaits.	The partners are also taxed jointly for the wealth tax, but in this case joint liability takes effect in the first year of the pact. They both sign the return and are jointly liable for payment of the tax and any subsequent audits. With regard to gift taxes, partners who have been in a registered civil solidarity pact for at least two years enjoy an allowance of €57,000. Above that amount, the tax authorities assess a 40% tax on the first €15,000 and a 50% tax thereafter. We should note that in addition to these specific rules governing civil solidarity pacts, a number of broader provisions are relevant as well. For example, the tax authorities "forget" gifts after ten years. Once this ten-year period has passed, taxpayers may once again take advantage of the €57,000 allowance on gifts. Tax reductions are also granted on the basis of the donor's age: the younger the donor, the lower the tax. An additional reduction is awarded if the recipient of the gift (the donee) has more than two children. For example, let's assume a person under the age of 65 donates in fee simple an asset valued at €75,000. The gift tax liability will be €3,750 if the donor and donee have been joined in a registered PACS for at least two years. Otherwise their tax bill for the transaction would be €22,050. Note that if these partners marry, even one hour before the gift is made, they pay nothing at all! Lastly, the tax rules governing estate tax are the same as those for the gift tax, except that the age-specific reductions are not applicable to estates. The tax benefits (allowances and lower tax rates) become available as soon as the PACS is registered – there is no waiting period. Civil solidarity pacts should not be entered into lightly, so don't hesitate to direct any questions you may have to your *notaire*. Ask him or her to assess your personal circumstances and assets in order to choose the solution that's best suited to your wishes.

HAUT DE PAGE

Donation entre époux / Gifts between spouses

Votre donation entre époux est-elle à jour ?
Is your provision for a surviving spouse up to date?

La loi sur les successions du 3 décembre 2001 améliore les droits du conjoint survivant et modernise plusieurs dispositions du droit successoral. Les nouvelles règles s'appliquent d'une manière générale à tous les décès intervenus à compter du 1er juillet 2002. C'est pourquoi si votre donation entre époux (donation au dernier vivant) est antérieure à cette date, il est conseillé de la soumettre à votre notaire pour vérifier qu'elle vous permettra de bénéficier des dispositions de cette loi.	The law of 3 December 2001 on successions enhances the rights of a surviving spouse and updates several rules governing estate law. In general, the new rules apply to any death on or after 1 July 2002. Therefore, if you have a provision that was made prior to this date leaving a gift to your surviving spouse, we recommend that you have your *notaire* examine the provision to verify that you will benefit from the recent changes.
Désormais, la loi distingue deux situations, en fonction de la présence d'enfants issus du couple ou d'une précédente union.	French law now draws a distinction between couples who have no children and couples who have children from their own marriage or from a previous marriage.
En présence d'enfants issus du couple, la donation entre époux permet d'augmenter les droits en pleine propriété du conjoint survivant ou de panacher ses droits entre la pleine propriété et l'usufruit.	If the couple has children of its own, a gift between spouses can be used to enhance the surviving spouse's right to full ownership or to offer a combination of full ownership and usufruct.
Dans le cas où le défunt avait des enfants d'une précédente union, la loi réserve moins de droits au conjoint survivant non bénéficiaire d'une donation entre époux. Celui-ci n'a pas de droits en usufruit, mais un droit en propriété, limité au quart de la succession. La donation entre époux est donc particulièrement intéressante, car elle lui permettra, soit de recueillir des droits en propriété plus étendus, soit d'exercer un usufruit sur la totalité de la succession, soit encore de mélanger propriété-usufruit.	If the deceased has children from a previous marriage, the law gives fewer rights to a surviving spouse for whom the deceased spouse left no gift. In this case, the surviving spouse is not entitled to usufruct, but enjoys ownership rights limited to one quarter of the estate. Clearly, the provision for gifts to a surviving spouse is especially attractive, since it provides for the donation of more extensive ownership rights, usufruct on the entire estate, or a combination of ownership and usufruct.
Dans tous les cas, l'étendue exacte des droits du conjoint survivant sur les biens du défunt ne sera fixée qu'au moment du décès. Pourquoi ? Parce que la donation entre époux laisse le choix au survivant de choisir (d'opter) après	In each case, the precise scope of the surviving spouse's rights to the deceased's assets are not established until the time of death. Why? Because the rule governing gifts between spouses allows the surviving spouse to make

le décès de son conjoint, au mieux de ses intérêts. Ce choix dépendra notamment du nombre d'enfants, car la quotité disponible (ce que le survivant peut recevoir de son conjoint disparu) varie selon que le défunt a laissé un, deux ou trois enfants et plus.	a decision after the death of his or her spouse, as best suits the survivor's interests. In particular, this decision will hinge on the number of children, since the disposable portion of the estate (i.e. the portion the survivor may receive from the deceased spouse) varies depending on whether the deceased left one, two, three or more children.
Ainsi, avec ou sans enfants d'une précédente union, la donation entre époux permet d'augmenter les droits du conjoint survivant. Il faut aussi rappeler son intérêt quand le défunt n'a pas (ou plus) d'enfant au moment de son décès, et qu'il laisse son père ou sa mère ou les deux. Les droits du conjoint survivant peuvent alors être sensiblement augmentés par la donation, le plaçant ainsi dans une meilleure situation par rapport à ses beaux parents.	In other words, regardless of whether there are children from a previous marriage, gifts to a surviving spouse can enhance the survivor's rights. Such a provision is also important in the event that the deceased has no children at the time of his or her death, but one or both of the deceased's parents are still alive. In this case, the surviving spouse can acquire significantly broader rights through a gift, which will place the survivor on a better footing with regard to his or her parents-in-law.
La loi a également amélioré la situation du conjoint survivant quand le défunt ne laisse ni descendant (enfant, petit-enfant) ni père, ni mère. Le survivant recueille alors toute la succession, sauf si le défunt a fait un testament au profit d'une autre personne. Cependant, même dans ce cas, le conjoint survivant est mieux protégé désormais, car la loi lui attribue une réserve héréditaire pour la première fois dans l'histoire de notre droit successoral : il reçoit au moins le quart des biens du défunt, même s'il existe un testament en faveur d'une autre personne. Précisons que le divorce et la séparation de corps mettent fin aux droits successoraux du conjoint survivant, même si la procédure n'était pas terminée au moment du décès. Ainsi donc, le conjoint survivant passe après les enfants et les parents, mais avant les frères et soeurs. Ses droits sont donc nettement améliorés, mais pas assez pour le protéger de tous soucis, sauf si une donation entre époux ou un testament est signé en sa faveur. Renseignez-vous auprès de votre notaire.	The law also improved the status of the surviving spouse when the deceased leaves neither descendants (children, grandchildren) nor parents. The survivor then receives the entire inheritance, unless the deceased has made a will bequeathing assets to another person. But even then, the surviving member of the couple now enjoys greater protection: for the first time in the history of French estate law, the new law designates the surviving spouse as a forced heir. As such, he or she will receive at least one quarter of the deceased's assets, even if the deceased made a will leaving the estate to someone else. We should point out that divorce or legal separation annul the surviving spouse's rights of inheritance, even if these proceedings have no been completed at the time of the spouse's death. In this case, the surviving spouse has fewer rights than children and parents, but receives precedence over brothers and sisters. His or her rights are thus substantially enhanced, but not adequately to ensure protection from all worries, unless the deceased spouse provided for a gift or made a will in favour of the survivor. Ask your *notaire* for more information. HAUT DE PAGE

Héritage / Inheritance

Les avantages méconnus des testaments
The unrecognised benefits of a will

Vous venez d'hériter ou vous avez hérité. Il vous est peut-être difficile de faire face à cette situation. Votre notaire fera le nécessaire pour la transmission du patrimoine et répondra aux questions que vous vous posez, par exemple : qui est héritier ? Quels sont les droits du conjoint survivant depuis la loi du 3 décembre 2001 ? Quels sont les droits des créanciers ? Comment disposer des biens de la succession ? A combien s'élève la facture fiscale ? Quel est le montant des frais ?

Vous pensez certainement que le testament est réservé aux personnes âgées ou malades. Vous ne voulez pas parler de ce sujet pour l'instant. Cependant, il est bien souvent le meilleur moyen de se protéger, surtout pour les personnes non mariées. Même le pacte civil de solidarité est insuffisant pour protéger son partenaire, comme peut le faire le testament. Mais qu'est ce qu'un testament et à quoi sert-il ?

Le testament est un document écrit par lequel une personne majeure prend des décisions et précise ses volontés pour le cas où elle décéderait. Depuis toujours, le notaire, officier public nommé par l'Etat est à votre service pour rédiger ou vous aider à écrire et conserver votre testament. Par testament on peut léguer un bien, un animal ou une somme d'argent à la personne de son choix : conjoint, concubin, enfant, ami ou association. On peut aussi régler des questions personnelles : désigner la personne qui prendra soin de ses enfants en cas de décès accidentel ou décider de ses obsèques. La loi offre une grande liberté dans ce domaine, à condition de respecter certaines règles juridiques précises.

Plusieurs formes de testament permettent de répondre à toutes les situations possibles. Le testament authentique est le plus sûr car il est incontestable. Il est obligatoirement reçu en présence de deux notaires ou d'un notaire et de deux témoins. Le notaire lui-même le rédige sous la dictée de son client. Il en donne ensuite lecture et tout le monde le signe, sauf le client s'il est dans

You have just inherited or you inherited sometime in the past. It may be difficult for you to deal with this situation. Your notaire will do all that is needed to transfer the estate and will answers any questions you may have, such as: Who inherits? What are the rights of the surviving spouse since the law of 3 December 2001? What rights do creditors have? How is the inherited property disposed of? How much will be owed in taxes? How much are the total fees?

You probably think a will is for people who are elderly or ill. Perhaps it's something you don't want to think about just yet. However, a will often provides the best method of protecting yourself, especially if you are unmarried. Even a civil solidarity pact cannot protect your partner as securely as a will can. But what is a will, and what purpose does it serve?

A will is a written document that allows an adult to make decisions and express certain wishes to be observed when he or she dies. As always, your *notaire*, a government-appointed public official, is at your service to draft (or help you write) and safeguard your will. You can use a will to bequeath an asset, an animal or a sum of money to whomever you choose: a spouse, partner, child, friend or association. You can also use a will to resolve a number of personal matters. For example, you can designate the person who will take care of your children if you die accidentally, or you can make decisions regarding your funeral. French law offers broad latitude in this area, so long as you comply with certain precise legal requirements.

There are several types of wills, one for every conceivable situation. A will in notarial form is the safest, since it cannot be contested. It must be heard in the presence of two *notaires* or a *notaire* and two witnesses. The client dictates the will to the *notaire*, who then reads the will aloud and everyone signs it, except the client if he or she is unable to do so.

l'incapacité de le faire. Le testament mystique, rarement utilisé, présente l'avantage de rester secret. Le client le remet à son notaire dans une enveloppe fermée, en présence de deux témoins. Seul le client connaît son contenu. Toutefois, le notaire ne peut pas vérifier son efficacité juridique. C'est l'inconvénient majeur de cette forme de testament. Le testament olographe est le plus répandu. Document écrit, daté et signé de la main du testateur, il est facile et peu coûteux. Cependant, il peut parfois donner lieu à contestations quand il n'est pas rédigé avec l'aide d'un juriste spécialisé. Dernière forme : le testament international adapté à la vie de ceux qui "bougent". Il est utile pour un étranger vivant en France, pour un français vivant à l'étranger ou encore pour la personne possédant des biens dans différents pays. Il peut rester secret et être écrit dans n'importe quelle langue. Dans tous les cas, vous pouvez modifier ou annuler librement et facilement un testament. Notre droit protège le contenu du testament, mais sa validité suppose le respect de quelques conditions. N'hésitez pas à vous renseignez auprès de votre notaire. Il vous guidera vers la formule la mieux adaptée à votre situation et à vos souhaits. Vos volontés seront ainsi respectées.	A sealed will, which is rarely used, has the advantage of remaining confidential. The client presents the will to the *notaire* in a sealed envelope in the presence of two witnesses. Only the client knows its content. The major drawback of a sealed will is that the *notaire* cannot verify its validity from a legal standpoint. Holograph wills are the most common. They are written documents, signed and dated in the testator's hand, that are easy and inexpensive to prepare. However, a holograph will may give rise to dispute if it has not been prepared with the help of a legal expert. Finally, there is the international will. Introduced into French law in 1994, this will is suitable for people "on the move". It is useful for foreigners living in France, French citizens living abroad and those who have property in several countries. It can remain confidential and may be written in any language. You may freely and easily change or annul a will under any circumstances. French law protects the will's contents, but in order to be valid the will must comply with certain requirements. Feel free to ask your *notaire* for more information. He or she will guide you towards the format that is best suited to your circumstances and concerns, to ensure that your wishes are respected. HAUT DE PAGE

L'Indivision / Joint ownership

L'indivision et ses dangers
The risks of joint ownership

L'indivision est la situation juridique dans laquelle deux ou plusieurs personnes sont propriétaires ensemble d'une même chose. Beaucoup de biens peuvent faire l'objet d'une indivision : meubles (voiture) ou immeubles (terrain, appartement, maison). L'achat en indivision permet un financement, un entretien et une gestion a priori plus faciles. La quote-part de chacun dans le bien est fixée lors de l'achat. Il existe d'autres façons de se grouper pour acheter un bien à plusieurs, en créant une association ou une société, par exemple, mais cela nécessite plus de démarches.

L'achat en indivision présente une grande simplicité, du moins au départ. En effet, par la suite, le fonctionnement d'une indivision peut se révéler plus difficile que prévu. Car toutes les décisions doivent être prises à l'unanimité, c'est la règle absolue. N'oubliez pas non plus que chaque indivisaire est tenu d'une partie des dettes de l'indivision (impôts ou travaux sur le logement par exemple). Le risque de mésentente doit donc être bien évalué avant un tel achat. Le plus souvent, l'achat d'un logement en indivision est effectué par deux personnes non mariées, vivant en couple, ce qui limite le nombre de participants. Par ailleurs, le régime juridique de l'indivision est provisoire. La loi pose comme principe que «Nul ne peut être contraint à demeurer dans l'indivision ». Chaque propriétaire (appelé indivisaire) peut, à tout moment, imposer à l'autre de vendre le bien pour en partager le prix.

Il existe une possibilité de donner une certaine stabilité à l'indivision : la signature d'une convention d'indivision. A peine de nullité, cette convention est établie par écrit. Elle décrit le bien indivis et indique la quote-part de chaque indivisaire. Publiée au bureau des hypothèques, cette convention doit être rédigée par acte notarié. Elle peut être conclue pour une durée maximum de cinq ans. Pendant la durée de la convention d'indivision et sauf circonstances exceptionnelles, personne ne peut exiger la vente pour obtenir sa part, ce qui offre une stabilité certaine. La convention est renouvelable sur simple accord des indivisaires. Ceux-ci peuvent même prévoir qu'elle se renouvellera par tacite reconduction. Cette convention permet aussi d'organiser la vie de l'indivision, notamment de répartir les dépenses. Un gérant peut même être nommé par les indivisaires, choisi ou non parmi eux. Si vous occupez seul un bien indivis, vous pouvez être redevable d'une indemnité d'occupation aux autres indivisaires. Par ailleurs, sachez que si vous voulez vendre votre part à un étranger à l'indivision, les autres indivisaires ont un droit de préemption. Il faut donc leur proposer l'achat par priorité en suivant une procédure spéciale. Enfin, l'indivision n'est pas toujours une situation choisie volontairement. C'est le cas chaque fois que vous héritez avec d'autres personnes : on parle alors d'indivision successorale, mais aussi si vous êtes divorcé et que la communauté n'est pas encore partagée : il s'agit alors d'indivision post-

Joint ownership is a legal situation in which two or more persons own the same thing. Many assets can be jointly owned: movables (such as a car) or real property (land, a flat, a house). When assets are purchased for joint ownership, financing, maintenance and administration are all made easier. Each owner’s percentage share in the asset is established at the time of purchase. There are other methods for joining together as a group to purchase an asset – you can create an association or a company, for example – but these are more complex procedures.

Purchases through joint ownership are much simpler, at least at the outset. But joint ownership may subsequently prove more difficult than anticipated, because such an arrangement is governed by a hard-and-fast rule: every decision must be unanimous. Moreover, don’t forget that each owner is responsible for a portion of the debts arising from the joint ownership (e.g. taxes, major building renovation, etc.). Therefore, you should assess the potential for differences of opinion before making such a purchase. The purchase of a home on the basis of joint ownership usually involves two unmarried persons living as a couple, which limits the number of participants. In addition, the legal framework governing joint ownership is only provisional. French law lays down the principle that “no one can be forced to remain in joint ownership”. Any joint owner may, at any time, require the other to sell the asset in order to share the selling price.
There is one option for lending greater stability to joint ownership: signing a joint ownership agreement. This agreement must be made in writing in order to be considered valid. It describes the jointly owned asset and indicates the percentage share in the asset held by each joint owner. Such an agreement, which is submitted to the mortgage registry, must be prepared by a *notaire* and may extend over a maximum of five years. For the duration of the joint ownership agreement, barring any exceptional circumstances, no owner may demand sale of the asset in order to obtain his or her share. This provides a certain level of stability. The agreement may be renewed by a simple decision of the joint owners. It may even include a provision for tacit renewal. This agreement can also serve as a basis for structuring the joint ownership, specifically in terms of allocating expenses. The joint owners may name an administrator, who may or may not be one of the owners themselves. If you are the sole occupant of an asset that is jointly owned, you may owe an occupancy allowance to the other joint owners. Moreover, bear in mind that if you want to sell your share to someone other than a joint owner, the other owners have the right of pre-emption. Therefore, you must offer them priority concerning the purchase, following a special procedure. Finally, joint ownership is not always adopted by choice. For example, you may inherit an

communautaire. Dans toutes ces situations, informez-vous sur vos droits et obligations. N'hésitez pas à interroger votre notaire, il vous fournira les éléments vous permettant de prendre les bonnes décisions en toute connaissance de cause. Si vous n'avez pas de notaire de famille, vous pouvez demander à la chambre départementale des notaires, la liste des notaires de votre région ou consulter l'annuaire des notaires.	asset jointly with others, as part of an estate, or you may be divorced and the joint estate has not yet been divided. In each of these cases, you should know your rights and obligations. Don't hesitate to ask your *notaire* for more information. He or she will provide you with the information you need to make a fully informed decision. If you do not have a family *notaire*, ask your local Chamber for a list of *notaires* in your region, or visit http://www.notaires.fr. HAUT DE PAGE

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Divorce / Divorce

Acheter un logement pendant un divorce : Prudence !
Buying a home during a divorce: Be careful!

Divorcer est une épreuve ! Elle est plus ou moins pénible suivant la procédure choisie et les obstacles rencontrés par les époux. La loi propose un divorce à l'amiable qui est assez souvent retenu. Le juge se contente alors de vérifier la convention des époux . Dans les autres cas il les départage et règle leur conflit, parfois non sans mal. Une fois le divorce prononcé, les époux ne devraient en principe plus avoir d'occasion de s'opposer.	Getting divorced is an ordeal! The degree of difficulty depends on the procedure chosen and the obstacles encountered by the spouses. The law provides for an amicable divorce, which spouses often choose. In this case, the judge simply confirms the spouses' agreement. In all other cases, the judge must adjudicate between them and settle their conflict, sometimes with great difficulty. Once the divorce is pronounced, the spouses should have no further opportunity to object. However, if payment is owed as a compensatory benefit, the difficulties may last a long time. The legislature took action in 2000 to make peace between former spouses. For several years, a comprehensive overhaul of divorce law has been under study.
La procédure de divorce, même par consentement mutuel, prend toujours du temps. Or, souvent, dès la séparation, sans attendre le prononcé du divorce, il faut refaire sa vie matérielle très vite et notamment se reloger. La location ou l'hébergement par sa famille ou ses amis est une solution. Mais dans certains cas, un achat est envisagé. Acheter un logement sans attendre le divorce dépend tout d'abord de votre régime matrimonial. Si vous n'aviez pas fait de contrat de mariage, vous êtes mariés sous un régime de communauté (communauté de meubles et acquêts si votre mariage a été célébré avant le 1er février	Any divorce proceeding – even a divorce by mutual consent – takes time. Once partners separate, they often need to rebuild their lives very quickly and, in particular, find a new place to live, without waiting until the divorce is final. Renting a home or stay with family or friends is one solution. But occasionally a newly separated spouse will consider buying a residence. Any decision to buy a home without waiting for a final divorce decree depends first and foremost on your marital regime. If you have no pre-nuptial agreement, your marriage is governed by a joint regime (joint ownership of movables and property, if your marriage took place prior to 1 February 1966; after that date, joint ownership only of "acquests", i.e. property acquired since the marriage). Therein lies the problem. Joint ownership continues for as long

1966 ou communauté réduite aux acquêts après cette date). Les difficultés apparaissent alors. Car la communauté dure tant que dure le mariage. Jusqu'au jugement de divorce, tous les biens achetés par l'un ou l'autre des époux, même séparément, entrent en principe en communauté et appartiennent donc aux deux. Ces difficultés sont d'ailleurs les mêmes si les époux ont adopté un régime de communauté par contrat de mariage (communauté universelle par exemple). Pour éviter ces difficultés, peu de solutions existent. La meilleure consiste à acheter avec une déclaration de remploi dans l'acte d'achat. Cette technique suppose que l'argent utilisé pour l'achat ne dépende pas de la communauté. Il peut s'agir d'une somme donnée ou léguée ou du prix de vente d'un bien propre. La déclaration de remploi empêche alors l'entrée du bien en communauté. En dehors de la déclaration de remploi, on peut éviter l'entrée en communauté du bien sous certaines conditions. Au moment de l'achat, la procédure de divorce doit être engagée (requête initiale déposée au greffe ou assignation délivrée à l'autre conjoint). Ensuite, il faut que les époux fixent la dissolution de la communauté à une date antérieure à l'achat. Dans tous les cas, l'effet recherché, c'est-à-dire l'exclusion du bien de la communauté, ne se produira que si le divorce est prononcé. Dans le cas contraire, la communauté ne sera pas dissoute et le bien acheté en fera partie. Sa revente nécessitera la signature des deux époux. Acheter au cours de la procédure de divorce constitue donc toujours un risque si vous êtes mariés sous un régime de communauté.

En revanche, les choses sont très simples si vous êtes mariés sous un régime de séparation de biens. En effet, ce régime permet à chaque époux de procéder seul à toutes les opérations juridiques de son choix, sans le concours de son conjoint, pendant le mariage et lors de la séparation. Bien sûr, des précautions sont tout de même à prendre. Il faut notamment vérifier que le contrat de mariage de séparation de biens ne contient pas une société d'acquêts. Dans tous les cas, avant de signer un compromis ou une promesse de vente, demandez à votre notaire d'analyser votre situation. Il vous dira ce qui est possible. N'hésitez pas à le consulter avant de prendre une décision.

as your marriage lasts. Any asset purchased by either spouse, even separately, is subject to the joint ownership rule in principle and therefore belongs to both spouses until the divorce is finalised. Moreover, the same problems arise for couples who adopted a regime of common ownership via a pre-nuptial agreement (e.g. universal joint ownership). There are few ways of avoiding this difficulty. The best solution is to include a statement of reinvestment (*déclaration de remploi*) in the deed of purchase. If this method is adopted, the money used for the purchase must not be part of the joint estate. It might be a sum that the buyer received as a gift or bequest, or it could be the proceeds from the sale of an asset that the buyer owns exclusively. If this is the case, a statement of reinvestment prevents the asset from entering the joint estate. There are other ways of ensuring that an asset is not included in the joint estate, if certain conditions are met. Divorce proceedings must be under way at the time of the purchase (i.e. an initial application has been filed with the court or a summons has been issued to the other spouse). The spouses must then set a date for dissolution of the joint estate that is prior to the purchase date. In each case, the desired outcome – i.e. exclusion of the asset from the joint estate – will not occur unless the divorce decree is issued. Otherwise, the joint estate will not be dissolved and the purchased asset will be included in the estate. Both spouses will have to authorise any future sale of the asset. Therefore, it's always a risk to purchase an asset during divorce proceedings if you were married under a joint ownership regime.

In contrast, the process is very simple if you were married under the system in which assets are maintained separately and there is no joint estate. In this case, each spouse can conduct any desired legal transaction on his or her own, without the participation of the other, during both the marriage itself and the separation period. Of course, you should still take some precautions. In particular, you should verify that the pre-nuptial agreement providing for separate estates does not contain a provision for partnership of acquests (*société d'acquêts*), under which property acquired during the marriage is owned jointly. Before signing a purchase agreement or a promise to sell, you should always ask your *notaire* to assess your situation. He or she can tell you about your options. Don't hesitate to consult a *notaire* before making a decision.

HAUT DE PAGE

Le partage dans le divorce
Division of assets in a divorce

Le divorce signifie la fin du mariage, tout le monde le sait. Mais il signifie aussi la fin du régime matrimonial. Il entraîne la liquidation de ce régime et le partage des biens du couple qui se sépare.

Qu'est-ce que le régime matrimonial ? C'est l'ensemble des règles de droit que les époux adoptent pour organiser leurs relations sur le plan financier, pendant et à la fin de leur mariage. Il y a deux façons de le choisir. La première, par la signature d'un contrat de mariage chez un notaire avant la célébration du mariage. On choisira un régime de communauté, si on désire mettre en commun les biens et les dettes, ou un régime de séparation de biens si on tient à l'indépendance et à l'autonomie, ou encore un régime combinant esprit communautaire et indépendance : la participation aux acquêts. Le contrat pourra être adapté avec une grande liberté à la situation du couple par des clauses sur mesure. La seconde manière de choisir un régime matrimonial consiste à ne rien faire ! Le couple est alors automatiquement soumis au régime légal de la communauté de biens réduite aux acquêts. Trop souvent, il ne s'agit pas d'un vrai choix, mais simplement d'un manque d'information.

Dans tous les cas, quel que soit le régime, le divorce entraîne la liquidation et le partage. En clair, il faut faire les comptes en appliquant les règles du régime matrimonial. On comprend mieux alors l'importance de celui-ci car le résultat des opérations peut être très différent d'un régime à l'autre.

Comment le notaire liquide-t-il le régime matrimonial ? A l'aide des renseignements fournis par ses clients, il commence par lister leurs biens et leurs dettes éventuelles, ce qui constitue l'actif et le passif. Ensuite, il détermine les droits et obligations de chaque époux dans ces actif et passif. Enfin, il recherche un accord entre ses clients pour partager les biens et dettes. Tout doit être étudié et calculé pour que chacun reparte avec une situation claire et nette. Il faut absolument éviter d'avoir à y revenir.

Ces opérations de liquidation et de partage peuvent être prévues avant que le juge ne prononce le divorce. C'est le cas lors du divorce par consentement

As everyone knows, divorce marks the end of a marriage. But it also marks the end of the marital regime (*régime matrimonial*). When couples divorce, their marital regime is dissolved and their assets are divided between the spouses.

What is the marital regime? It's the set of rules, established by law and chosen by the couple, that structures the financial aspects of their relationship during the marriage and when the marriage comes to an end. There are two ways of choosing a marital regime. The first is by signing a pre-nuptial contract at the office of a *notaire* before the wedding. Couples can choose a system of communal ownership (*communauté*) if they wish to combine their assets and debts, or a system of separate estates (*séparation de biens*) if they want to maintain their independence and autonomy. Or they can opt for a system that combines a joint ownership approach with independence, known as *participation aux acquêts*, in which only those assets acquired since the marriage are shared upon divorce. The contract is highly flexible and can be tailored to the couple's circumstances with specific provisions. The second way of choosing a marital regime is to do nothing! The couple is then automatically subject to the arrangement in which only property acquired since the marriage is considered to be jointly held (*communauté de biens réduite aux acquêts*). But all too often, couples choose this option not because they want to, but simply because they are poorly informed.

Regardless of the regime you choose, divorce always leads to a settlement and a division of assets. The rules contained in the marital regime will be used to settle the couple's accounts. It's easy to see how important the choice of a regime may prove, since the outcome can vary widely from one regime to the next.

How does a *notaire* settle the marital regime? He or she begins by listing the couple's property and any debts, which constitute their assets and liabilities, based on information they provide. The next step is to identify each spouse's rights and obligations with regard to these assets and liabilities. The *notaire* then tries to get the couple to agree on a division of their assets and debts. Everything must be analysed and calculated so that each party leaves with a

mutuel. Le jugement de divorce ne peut alors être rendu, tant que les époux ne fournissent pas au juge un acte de liquidation de leur régime matrimonial, le projet de partage de leurs biens et le règlement de toutes les conséquences de leur séparation : partage des biens et des dettes, pension alimentaire, prestation compensatoire, garde des enfants. C'est aussi parfois le cas pour des personnes mariées sous un régime de séparation de biens, quelle que soit la procédure de divorce utilisée. Dans d'autres situations, la liquidation et le partage ont lieu après le prononcé du divorce, en particulier lors de la procédure pour faute. Le juge prononce le divorce et les ex-époux démêlent ensuite les conséquences juridiques et financières de leur séparation. Inutile d'insister sur les inconvénients de cette procédure, mais c'est quelquefois la seule possible. Dans tous les cas, plus on anticipe les conséquences de la séparation et plus il est facile de régler les problèmes dans de bonnes conditions. Si la situation du couple est très simple (elle l'est rarement !) la liquidation sera rapide. Impérative dès qu'il y a un immeuble (terrain, appartement, maison), l'intervention du notaire sera une aide précieuse dans tous les autres cas. La loi a prévu sa présence car il est l'officier public spécialiste du droit de la famille, garant de l'équilibre et de la sécurité du contrat. Il protège ainsi des mauvais accords. N'hésitez pas à vous renseigner et à le consulter dès le début de la procédure. Enfin n'oubliez jamais les inévitables conséquences fiscales de votre divorce et du partage de vos biens. Votre notaire calculera avec soin les frais et les impôts que vous aurez à payer.	clear, definite statement of the position. It is absolutely essential to avoid having to go through the process again in the future. The settlement and division of assets can be conducted before the judge issues a divorce decree. In cases of divorce by mutual consent, for example, the divorce decree cannot be issued until the spouses have provided the judge with a deed of settlement for their marital regime, the planned division of their assets and a final decision regarding each aspect of their separation: division of assets and debts, alimony and child support, compensatory allowance, child care. This may also apply to couples who opt for separate estates, regardless of the divorce procedure they follow. In other cases, the settlement of the marriage and the division of assets take place after the divorce is finalised, and particularly during the procedure to assign fault. The judge issues the divorce ruling, whereupon the ex-spouses untangle the legal and financial consequences of their separation. This process obviously has many drawbacks, but it is sometimes the only option. In all of these cases, couples who try to anticipate the consequences of separation will find it easier to resolve any problems smoothly. If the couple's circumstances are very simple (which is rarely the case!), the settlement can proceed quickly. A *notaire* can provide invaluable help and is a legal requirement if real property (such as land, a flat or a house) is involved. *Notaires* are public officials specialising in family law and can ensure that the pre-nuptial agreement is stable and secure. They protect you against bad agreements. Don't hesitate to inform yourself by consulting your *notaire* at the outset. Finally, always bear in mind that your divorce and the division of your assets will affect your tax liability. Your *notaire* will carefully calculate the taxes and other charges that you'll be required to pay. HAUT DE PAGE

Adoption

geste d'amour et parcours juridique
Cross-border adoptions

L'adoption est d'abord un geste d'amour qui permet à la fois de donner un enfant à une famille et une famille à un enfant.

Sur le plan juridique, adopter permet de créer un véritable lien de parenté entre l'adoptant et l'adopté. Ce lien n'existera que si l'adoptant le demande expressément et si un jugement du tribunal de grande instance l'officialise. L'adoption est ouverte aux hommes et aux femmes, aux célibataires âgés de plus de vingt huit ans et aux époux mariés depuis plus de deux ans ou âgés tous les deux de plus de vingt huit ans. L'adoption est également possible pour un seul des deux époux s'il a plus de vingt huit ans et avec l'accord de son conjoint. Toutefois si l'un des époux veut adopter l'enfant de son conjoint, il peut le faire même s'il n'a pas vingt huit ans. Il est recommandé de faire recueillir l'accord du conjoint par acte notarié afin d'éviter toutes contestations. Les concubins (union libre) ne peuvent pas adopter ensemble un enfant. L'enfant ne peut être adopté que par un seul des concubins (qui est juridiquement célibataire). Les partenaires d'un pacte civil de solidarité (PACS) sont dans la même situation. Il faut être mariés pour adopter ensemble un enfant. En principe, l'adoptant doit avoir au minimum quinze années de plus que l'enfant qu'il veut adopter, sauf s'il s'agit de l'enfant de son conjoint car la différence d'âge minimum n'est alors que de dix ans. Le juge peut accorder des dérogations pour des écarts d'âge plus faible.

En droit français il existe deux types d'adoption : l'adoption simple et l'adoption plénière, et, lorsque la personne à adopter n'est pas de nationalité française, on parle d'adoption internationale. Des règles spéciales sont alors applicables.

L'adoption simple – cette forme d'adoption créé un nouveau lien de parenté entre l'adoptant et l'adopté mais ne supprime pas les liens de parenté existant entre l'adopté et sa famille biologique. Dans l'adoption simple, l'adopté a deux familles. L'adopté simple (et ses enfants et petits enfants) ont vocation à hériter dans les deux familles ! L'adopté va ajouter à son nom le nom de l'adoptant. Si le juge est d'accord, l'adopté pourra même porter le seul nom de l'adoptant si celui-ci le souhaite. On peut demander une adoption simple quel que soit l'âge de l'adopté. S'il a plus de treize ans, le consentement du futur adopté est nécessaire. Le futur adopté ne peut pas se rétracter après avoir donné son accord. S'il est mineur (même émancipé) il faut en plus l'accord de ses parents. S'il est majeur l'accord de ses parents est inutile. Les personnes majeures sont toutes adoptables par adoption simple, de même que tous les mineurs remplissant les conditions pour une adoption plénière. L'adoption simple peut être révoquée par le juge à la demande de l'adoptant ou de l'adopté s'il est justifié de motifs graves (par exemple alcoolisme grave, inconduite scandaleuse, extorsion de fonds, ingratitude, etc). On peut commencer par une adoption simple et ultérieurement demander sa transformation en adoption plénière si les conditions en sont remplies.

L'adoption plénière – cette forme d'adoption crée également un nouveau lien de parenté entre l'adoptant et l'adopté mais coupe tous liens avec la famille d'origine de

More and more people in France are looking abroad to adopt a child. Of the 3,000 children adopted in France each year, about half are from outside the country. In cases of adoption, there are two types of situations that raise legal difficulties.

In some instances, the future adoptive parents are looking for a child abroad whom they can adopt in France. Naturally, they hope to make the proper arrangements to ensure that the child is truly theirs from a legal standpoint (in terms of the child's separation from its original family, assumption of the parents' surname, rights to their estate and so forth). The judge in France will then verify that the requirements for adoption have been met. But which laws are applicable when determining compliance with these conditions? The laws in the child's country of origin or those in the country where the adoptive parents live? The laws in the country where the child has nationality, or those where the adoptive parents have nationality? Adoption requirements sometimes vary greatly from one country to the next. In some cases, the rules may differ depending on whether the child is being adopted by one person or a couple. In some (admittedly rare) cases, the adoptee's country prohibits the legal system of adoption. In addition, prospective parents need to know whom they should contact in order to make an adoption official and what procedures they need to follow. In France, adoptive parents must obtain official approval (the *agrément*) in order to adopt a child from abroad. Otherwise, French officials will not issue a visa allowing the foreign-born child to enter France.

The second set of problems involves prospective parents who adopt a child in another country. On their return to France, they wish to obtain official recognition of the adoption conducted abroad. This can certainly be done, but adoption may have very different consequences from one country to another. In some cases, an adoption ruling issued in another country will not have the full legal impact that the parents anticipate. If, for example, the country where the adoption took place does not recognise full adoption, the child will maintain links to his or her family of origin, which will retain certain rights over the child. Therefore, you need to be vigilant. Make a thorough study of any adoption rulings issued abroad. Some countries are unfamiliar with adoption; there, the procedure involves simply turning the child over. Problems arise in certain countries in particular, such as Viet Nam, Korea, India, Haiti and Lebanon. Can you adopt a child from such a country? Will the court ruling issued abroad prove sufficient in France, or will you need to move for an adoption ruling in France as well? Once the adoption is complete, what will be the adopted

l'adopté, sauf en cas d'adoption de l'enfant de son conjoint. En effet, dans ce cas particulier d'adoption de l'enfant de votre conjoint, l'adoption plénière laisse subsister les liens juridiques unissant l'enfant à sa famille d'origine. En dehors de cette exception, l'adopté change de famille dans l'adoption plénière . Mais l'adoption plénière n'est possible que dans certains cas limités.

Il existe trois catégories d'enfants adoptables: ceux dont les parents ou le conseil de famille ont donné leur accord, les pupilles de l'Etat et les enfants déclarés abandonnés. Le consentement des parents peut être recueilli par acte notarié ou au tribunal d'instance. Les parents peuvent se rétracter et revenir sur leur accord pendant deux mois. Si l'enfant n'a plus de parents c'est le conseil de famille, présidé par le juge des tutelles, qui doit donner son accord. Pour adopter un enfant pupille de l'Etat, il faut obtenir un agrément administratif. L'enfant à adopter doit en principe avoir moins de quinze ans et être accueilli au foyer du ou des adoptants depuis au moins six mois. Si l'enfant à adopter a plus de treize ans, son consentement est nécessaire. Toutefois, l'adoption plénière d'un enfant de plus de quinze ans est possible s'il avait été recueilli avant cet âge par des personnes qui ne remplissaient pas les conditions pour adopter, ou s'il a fait l'objet d'une adoption simple avant l'âge de quinze ans. Attention il y a une limite d'âge maximale car l'adoption plénière ne sera possible que jusqu'au vingtième anniversaire de l'enfant.
Pour l'adoption internationale, il faut obtenir un agrément administratif. Si l'enfant étranger à adopter est mineur, il faut que la loi du pays dont il a la nationalité permette l'adoption pour qu'elle soit possible en France. En effet, certains pays ne connaissent pas cette institution qu'est l'adoption. Toutefois si cet enfant, non français, est né et réside en France, il ne sera pas nécessaire que la loi de son pays d'origine permette l'adoption pour qu'elle soit possible en France. De même, si un couple marié non français veut adopter un enfant, il faut que la loi de leur pays d'origine permette l'adoption. Il existe des conventions internationales relatives à l'adoption entre la France et certains pays. Des organismes autorisés peuvent vous aider dans vos démarches. Les procédures varient selon le pays d'origine de l'enfant à adopter. Vous pouvez obtenir des informations auprès du service des affaires européennes internationales du ministère de la justice. Le parcours de l'adoption est souvent long et difficile. Il faut également bien en mesurer les effets sur le reste de la famille. Les conséquences patrimoniales et successorales doivent être étudiées avec soin afin de préserver à la fois les intérêts du nouvel arrivant et de la famille toute entière. N'hésitez pas à rencontrer votre notaire au sujet de ces différentes manières d'adopter. Il vous en expliquera les conséquences juridiques et fiscales.

child's nationality? We are surrounded by people of different nationalities living in different countries, and there is still no single law that is universally applicable. Therefore, it’s very important to be certain that any documents prepared abroad are valid in France, and that French documents will be recognised in other countries.

Prolonged legal disputes can delay the adoption and may even lead to costly and distressing legal proceedings. Some countries have signed agreements with France in an effort to smooth out these problems. Before taking the initial steps in adopting a child from another country, consult a specialist in family law: your *notaire*. He or she will evaluate your plans and tell you how you should proceed.

HAUT DE PAGE

Vente et Achat / Purchase/sale

Acquérir ou vendre un appartement une maison ou tout autre bien immobilier n'est pas une opération banale. Les décisions prises par chaque interlocuteur mettent souvent en jeu d'importantes sommes d'argent. Le logement représente pour l'acheteur le cadre de vie. Le notaire est là pour vous aider à prendre les précautions nécessaires afin d'éviter des erreurs parfois coûteuses. Il a pour mission de vous permettre de réaliser l'achat en toute sécurité, tout en préservant les intérêts du vendeur	Buying or selling an apartment, house or any other type of real property is not a trivial matter. The decisions made by each party often put large sums of money at stake. For the buyer, the home is the environment in which he or she will live. *Notaires* are there to help you take the necessary precautions and avoid often costly mistakes. Their role is to help you purchase your home safely, while also protecting the seller's interests.

L'achat/La vente / Diagnostics immobiliers, un dossier unique
What inspections must be performed?

Le vendeur d'un bien immobilier, qu'il soit un simple particulier ou un professionnel de l'immobilier doit faire effectuer certains constats ou diagnostics, par des entreprises qualifiées et titulaires d'une assurance couvrant leur responsabilité. L'information due par le vendeur doit être communiquée à l'acheteur dès la promesse ou le compromis de vente. Aujourd'hui ces différents diagnostics portent parfois sur la recherche de plomb dans les peintures, parfois sur la présence d'amiante dans les matériaux de construction, parfois sur la présence de termites, parfois sur ces trois points à la fois. Le plomb dans les peintures - la recherche de plomb dans les peintures n'est obligatoire que pour les immeubles ou les parties d'immeubles, à usage de logements, construits avant le 1er janvier 1948 et situés dans une zone à risque d'exposition au plomb. Dans chaque département c'est le préfet qui délimite ces zones à risque . A noter, lorsque les décrets d'application de la loi du 9 août 2004 relative à la politique de santé publique seront publiés, le constat concernera alors les biens construits avant le 1er janvier 1949 et situés sur l'ensemble du territoire français. Le risque pour la santé concerne surtout les jeunes enfants qui peuvent avaler des éclats de peintures au plomb ce qui peut entraîner une grave maladie appelée saturnisme. Au moment de la promesse ou du compromis de vente, ainsi qu'au jour de la vente, le constat doit avoir été effectué depuis moins d'un an. L'amiante dans les matériaux – la recherche d'amiante dans les matériaux de construction n'est obligatoire que pour les immeubles ou les parties d'immeubles, quel qu'en soit l'usage, construits en vertu d'un permis de construire délivré avant le 1er juillet 1997. Le risque pour la santé existe lorsque l'amiante se dégrade et libère dans l'air des fibres microscopiques qui lorsqu'elles sont inhalées peuvent causer des cancers. Les termites – La recherche de termites n'est obligatoire que pour les	The seller of a house or flat has a general duty to inform potential buyers of everything he or she knows regarding the property. French law now goes even further and stipulates that a technical inspection addressing a number of specific issues must be performed prior to any sale of a home. In most cases, the seller is responsible for ensuring that this inspection is performed by a qualified firm that offers proof that it is covered by civil liability insurance. In practice, several inspections may be required. What are they? We need to distinguish between housing subject to co-ownership (condominium housing, i.e. all flats as well as certain houses built in groups), and other housing (i.e. detached houses). For any co-owned housing, the primary obligation is to provide its surface area pursuant to France's Carrez law. This information is obligatory for condominium lots. The seller indicates the surface area of the property for which he or she is responsible, and must personally vouch for the accuracy of this figure to within 5% for a period of one year after the sale. Therefore, it is strongly recommended that sellers retain the services of a professional to measure these dimensions. Don't forget that if you neglect to provide the surface area of a condominium flat, the sale may be invalidated! The other inspections required of any residence (whether jointly or singly owned) will depend on its date of construction and the territorial department in which the building is located. The most common of these is testing for asbestos, which is required throughout France. However, this requirement applies only to buildings for which the building permit was issued prior to 1 July 1997. Since 1 September 2002, detached homes must be inspected before any undertaking to sell can be signed. An authorised, insured professional must test for the presence of asbestos in any form and report on its findings. Bear in mind that if no report is issued, the seller is liable for any asbestos that the buyer may discover on the property after the sale. In other words, the seller may be forced to bear the cost of removing asbestos from the house at

immeubles situés dans les zones délimitées par le préfet comme étant contaminées ou susceptibles de l'être à court terme. La présence de tels insectes fait courir un risque important aux parties du bâtiment construites en bois, car ils s'en nourrissent. La durée de validité du diagnostique termites est de trois mois. Dans le but de simplifier et de rendre plus efficaces ces obligations, une ordonnance récente du gouvernement vient de créer un document unique regroupant un certain nombre d'informations techniques: le Dossier de Diagnostic Technique (D.D.T.). En plus des informations déjà en vigueur à l'heure actuelle (plomb, amiante, termites), ce D.D.T. contiendra des informations relatives à l'état de l'installation intérieure de gaz naturel , à l'état des risques naturels et technologiques et au diagnostic de performance énergétique. Ce document unique n'entrera en vigueur que lorsque les décrets d'application seront publiés . Avant de mettre en vente un bien immobilier (logement, local, commercial ou autre), il est important de se renseigner auprès de son notaire afin de connaître exactement ses obligations. Les sanctions, en cas de non respect des règles, peuvent être très lourdes. N'hésitez pas à vous renseigner avant toute signature.	any time over a thirty-year period! Two other inspections may be required as well, depending on the home's location. These involve testing for termites and lead. In any department classified by its prefect as termite-infested, the seller must provide an inspection report issued within the previous three months by a qualified, insured professional, before the sale can take place. Sellers who fail to produce this certificate will be liable under the same terms that apply in the case of asbestos. With regard to lead, in any department that, by decree of its prefect, has been deemed at high risk for lead exposure, buildings that were constructed prior to 1 January 1948 must have been inspected within the previous year. In some cases (your notaire can tell you more), the seller must send a copy of this report to the departmental prefect. As with asbestos and termites, sellers who fail to comply with this obligation will be liable for any hidden defects attributable to the presence of lead. Given the legal consequences for the seller and the buyer's obvious interest in the matter, it should be clear that these inspections are a necessity. In most cases, these materials present no immediate danger if they are found during the preliminary inspection. Inspectors can explain the source of the problem and assure the safety of everyone involved. These days, it's especially critical that the parties to any property transaction be fully informed before they undertake direct negotiations. A preliminary assessment should be conducted by a professional with expertise in property law, in order to determine the rights and obligations of the buyer and seller. Don't hesitate to ask your notaire for more information. HAUT DE PAGE

Compromis ou promesse de vente : mode d'emploi
Purchase agreements and undertakings to sell: Some guidelines

Vous cherchez à acheter un appartement, une maison ou un terrain. Ou vous avez déjà trouvé, peut-être par l'intermédiaire de votre notaire, le bien qui vous convient. Vous ne voulez pas que cette opportunité vous échappe. Il faut « arrêter » l'affaire et signer avec le vendeur un compromis ou une promesse de vente. De quoi s'agit-il ?

Ces contrats constatent l'accord du vendeur et de l'acquéreur dans un cadre sécurisé. Ils sont valables en général quelques mois. Pendant ce délai, le notaire constitue le dossier de vente. Il faut environ trois mois, et parfois plus, pour obtenir des administrations les renseignements et les documents nécessaires à la vente : actes d'état civil, état hypothécaire, extrait cadastral, dossier d'urbanisme, certificat amiante, questionnaire syndic,... Il faut aussi laisser le temps à l'acquéreur de réunir les fonds nécessaires à son acquisition : prêt bancaire ou familial, 1% patronal, apport personnel parfois bloqué sur un compte d'épargne, capital provenant d'une succession ou d'un partage après divorce, ou encore prix de vente du logement précédent. Enfin, le vendeur a besoin d'un délai pour organiser son déménagement et libérer les lieux. Le compromis et la promesse de vente sont donc très utiles et peuvent être signés rapidement. En pratique, dans les jours qui suivent l'accord entre le vendeur et l'acquéreur.

Cependant, il faut rester prudent et ne pas signer à la légère. Compromis et promesse de vente sont deux contrats présentant des points communs. Ils engagent le vendeur à vendre et l'acquéreur verse à cette occasion un dépôt de garantie (10% du prix en général) destiné à prouver son sérieux. Mais ils présentent des différences, des avantages et des inconvénients. Dans le compromis, l'acquéreur s'engage à acheter ; il ne le fait pas dans la promesse mais dans ce cas, s'il n'achète pas, il perd son dépôt de garantie. La promesse de vente doit être obligatoirement enregistrée dans un délai strict, à peine de nullité, alors que le compromis est dispensé de cette formalité.

Par ailleurs, qu'il s'agisse d'un compromis ou d'une promesse de vente, le notaire insère dans chacun de ces actes des conditions suspensives. Ces clauses prévoient que le contrat sera nul et que chacun reprendra sa liberté, si certains événements surviennent avant la vente définitive : refus de prêt de la part de la banque de l'acquéreur, exercice du droit de préemption par la commune, découverte d'une servitude d'urbanisme grave, par exemple.

Le notaire, spécialiste du droit immobilier, est très attentif à la situation personnelle du vendeur et de l'acquéreur : (situation matrimoniale, proportions

Let’s say you’re looking to buy a flat, a house or a piece of land. Perhaps, with help from your *notaire*, you’ve already found a property that suits you perfectly. You don’t want this opportunity to slip through your hands. So you need to “freeze” things in place by signing a purchase agreement with the seller or an undertaking to sell. But what does that involve?

These contracts indicate that a secure agreement has been reached between a seller and a purchaser. In general, they are valid for a few months, during which time the *notaire* prepares the sale documents. It takes about three months, and sometimes longer, to obtain the necessary information and documentation from government offices: an identification of the parties, mortgage status, a cadastral map, zoning and urban planning information, an asbestos certificate, the questionnaire for the managing agent, etc. In addition, the buyer needs time to raise the necessary funds for the purchase: bank or family loans, employer contributions, personal contributions (which are sometimes frozen in a savings account), capital from an inheritance or a post-divorce division of assets, income from the sale of a previous residence. Finally, the seller will need time to organise a move and leave the premises. So the purchase agreement and undertaking to sell will prove very useful and can be signed quickly – generally within a few days after the buyer and seller reach an agreement.

Nonetheless, you should use caution – don’t enter into an agreement lightly. Both purchase agreements and undertakings to sell are contracts that share certain features. They obligate sellers to sell the property, and purchasers must provide a security deposit (usually 10% of the price) when the contract is signed as proof of their intent to buy. But these agreements differ in a number of ways as well; each has advantages and disadvantages. In a purchase agreement (*compromis de vente*), the buyer makes a commitment to purchasing the property. The undertaking to sell (*promesse de vente*) includes no such commitment, but the buyer will lose the security deposit if he or she chooses not to buy. The undertaking to sell must be registered within a strict time period or it is null and void, whereas there is no such requirement for a purchase agreement.

In addition, for either a purchase agreement or an undertaking to sell, the notaire will add a number of suspensive conditions. These provisions stipulate that the contract will be invalidated and the parties released from their obligations if certain events occur prior to the final sale, e.g. if the purchaser's bank rejects the loan application, the local government exercises its pre-

d'acquisition...), chaque dossier nécessite un examen approfondi et personnalisé. N'hésitez pas à le consulter avant de vous engager.

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emptive right, a serious zoning easement is discovered, etc.

Notaires specialise in property law and are highly attentive to the specific circumstances of both the buyer and the seller (marital status and regime, the size of the purchase, etc.). Each transaction calls for a thorough, personalised assessment. Don't hesitate to consult your notaire before making a commitment.

Chez le notaire qui paie quoi ?
With a notaire, who pays what?

Vous avez le projet d'acheter ou de faire construire un logement. Vous faites vos comptes, vous calculez votre plan de financement. N'oubliez surtout pas les frais à ajouter au prix !

En effet, dans presque tous les cas, les prix de vente des immeubles (maisons, appartements, terrains à bâtir) sont fixés hors frais d'acquisition. Ce qui signifie que l'acheteur règle les frais de la vente.

Ces frais, couramment appelés à tort «frais de notaire», s'ajoutent au prix d'achat mais ne reviennent ni au vendeur, ni au notaire, pour la plus grande part. Alors à qui vont ces fameux frais ? La réponse est simple : il s'agit essentiellement d'impôts. Le notaire est chargé de les recouvrer pour le compte de l'Etat. En effet, les impôts ne concernent pas seulement ce que vous gagnez (impôt sur les revenus, CSG,...) et ce que vous possédez (taxes foncières, ISF, vignette automobile,...). L'administration fiscale taxe également les immeubles lorsqu'ils changent de propriétaire.

Les impôts et les déboursés (coût des documents d'urbanisme, du bureau des hypothèques, du cadastre, etc...) représentent la plus grande partie de ces frais. Les impôts sont nombreux et divers. Certains sont proportionnels, d'autres sont fixes. Le plus important est la taxe de publicité foncière encore appelée droit de mutation à titre onéreux.

Il faut encore ajouter la taxe sur la valeur ajoutée perçue sur la rémunération du notaire et le salaire du conservateur des hypothèques perçu sur le prix. Avant de vous engager dans un projet immobilier, n'hésitez pas à prendre contact avec votre notaire. Demandez lui un calcul prévisionnel des frais occasionnés par la vente. Profitez-en pour lui demander de calculer les autres frais éventuels à prévoir, en particulier, si vous demandez un crédit à votre

You're planning to purchase or build a home. You've checked all the figures and you're wondering what kind of financing you can afford. But don't forget the added costs you must bear!

In virtually every case, the selling price for houses, flats or land targeted for development excludes the acquisition costs. This means that the buyer pays all expenses relating to the sale.
These expenses, commonly referred to as "notaire's fees", are added to the purchase price, but for the most part they're paid neither to the seller nor to the notaire. So what happens to these famous fees? The answer is simple: they're primarily paid as tax. The notaire is responsible for collecting them on behalf of the French government. Taxes aren't limited just to what you earn (income tax, social security contributions, etc.) and what you own (property taxes, wealth tax, automobile registration). The tax bureau also assesses a tax on real estate when it changes hands.
For example, when you purchase a property worth €75,000, the acquisition costs you must pay over and above the price of the property amount to about €5,700. Taxes and disbursements (fees relating to zoning documents, the mortgage registry, the cadastral agency, etc.) account for most of these costs. There are numerous miscellaneous taxes. Some are calculated as a percentage of the transaction, while others are fixed amounts. The most significant is the land registry tax, also known as the tax on transfers without consideration. In our example, this represents about €3,700. In addition, there is the stamp tax assessed on each page of both the original notarial deed and the certified copy (the purchaser's certificate of title), calculated at €6 per two-sided page in standard format. Deeds these days are often lengthy and the stamp tax can run into the hundreds of euros. To this is added VAT (19.60% on the notaire's compensation) and the mortgage registry fees (0.10% on the price of the transaction).

banque. Le notaire assure une mission de service public et se trouve soumis à un tarif obligatoire fixé par le ministre de la Justice et applicable dans toute la France. Lui seul peut vous fournir une information précise et des explications détaillées.	Before committing to a property transaction, don't hesitate to contact your notaire. Ask him or her to estimate the additional costs you'll have to bear. You can also have the notaire calculate any other expenses you should plan for – if you're applying for a loan from your bank, for example. Notaires provide a public service and are compensated at a set rate established by the Ministry of Justice and applicable throughout France. Only your notaire can provide you with precise information and detailed explanations. HAUT DE PAGE

La caution : ne pas s'engager à la légère
Acting as surety: Don't take it lightly

Un enfant, un parent ou un ami demande un prêt à sa banque ou loue un logement. La banque ou le propriétaire du logement donne son accord à condition qu'il fournisse une caution. Vous pouvez être sollicité à cette occasion afin de rendre ce qui vous semble un simple service. La situation est courante. Pourtant il faut bien réfléchir et se renseigner sur l'étendue de ses engagements avant d'accepter. En effet, les règles juridiques sont nombreuses et complexes.	Let's say that a friend is asking the bank for a loan or is renting a flat. The bank or building owner agrees to the transaction, on the condition that your friend provide a surety. In such a case, you may be asked to render what seems a simple service. It's a common situation. But before you accept, you need to consider the matter and learn more about the extent of your friend's obligations. There are numerous complex legal requirements to keep in mind.
Sachez que le rôle de la caution consiste à prendre la place du débiteur (celui qui doit payer) en cas de défaillance de celui-ci. La caution doit payer les mensualités à la place de l'emprunteur ou le loyer à la place du locataire. Le créancier (celui à qui on doit payer) peut ainsi se retourner contre la caution et même faire vendre tous ses biens. Ce système appelé "cautionnement personnel" est très efficace pour ne pas dire brutal dans certains cas. En effet si le document que vous avez signé prévoit que vous êtes "caution solidaire" le créancier peut s'adresser directement à vous pour être payé sans avoir à solliciter au préalable l'emprunteur ou le locataire. On dit que vous avez renoncé au "bénéfice de discussion". En revanche, si vous êtes "caution simple" la banque ou le propriétaire doit d'abord s'adresser à l'emprunteur ou au locataire.	A surety assumes the liabilities of the debtor (the person who must pay) in the event that the debtor fails to make good on his or her debt. The surety must make monthly payments on behalf of the borrower, or must pay the monthly rent on behalf of the tenant. The creditor (the person to be paid) can take legal action against the surety and even cause his or her assets to be sold. This system, known as "personal surety" (cautionnement personnel), is very effective and even harsh in some cases. In effect, if the document you signed states that you are the "joint surety" (caution solidaire), the creditor may solicit payment from you directly without having to contact the borrower or tenant first. You are said to have renounced your "benefit of discussion". On the other hand, if you are an "individual surety" (caution simple), the bank or owner must first apply to the borrower or tenant.
Par ailleurs, si d'autres personnes sont également cautions du même emprunteur ou du même locataire votre situation varie selon les cas. Une caution peut parfois se retourner contre les autres cautions. Si votre engagement prévoit la renonciation "au bénéfice de division", vous pouvez être amené à payer la totalité de la dette. Sinon, la dette de l'emprunteur ou du	If others are also sureties for the same borrower or tenant, your situation will vary depending on the circumstances. One surety may sometimes take action against the others. If your commitment includes a waiver of the "benefit of division", you could be forced to pay the entire debt. Otherwise, the borrower's or tenant's debt will be divided among the various sureties and you will pay

locataire sera divisée entre les différentes cautions et vous n'en paierez qu'une partie. Néanmoins même une part de la dette peut, si elle est importante, vous faire perdre tous vos biens. C'est pourquoi, à côté du cautionnement "personnel" il existe le cautionnement "réel" (ou hypothécaire) qui consiste à engager un seul de ses biens, une maison ou un appartement. La caution peut aussi, par exemple, engager un portefeuille de valeurs mobilières, au moyen d'un nantissement. Enfin, la durée du cautionnement peut être soit de la durée de la dette, soit d'une durée inférieure. Ne vous engagez jamais à la légère. Renseignez vous auprès de votre notaire. Spécialiste de la famille et des contrats, il vous conseillera une solution adaptée et vous renseignera sur la portée de vos engagements. De même si vous sollicitez une caution, prenez contact avec lui. La mise en oeuvre d'une caution peut se révéler difficile et votre garantie illusoire ! HAUT DE PAGE	only a portion. Nonetheless, if the amount owed is significant, even a portion of the debt could wipe out all your assets. That is why, in addition to the “personal surety”, there is “collateral surety” (or mortgage), in which just one of your assets, a house or a flat, is used as a guarantee. The surety may also, for example, pledge a portfolio of stocks and shares for use as a security. Finally, your obligation as a surety may continue for as long as the debt, or it may be for a shorter period of time. Don’t enter into such a commitment lightly. Find out more from your notaire. As a specialist in family law and contracts, a notaire can recommend an appropriate solution and provide information on the extent of your obligations. Likewise, if you are looking for a surety, you should contact your notaire as well. It may prove difficult to obtain a surety, and your security could go up in smoke!

Les délais après signature
You've signed the contract – What’s next?

Vous venez de signer l'acte d'achat de votre nouveau logement chez votre notaire. Vous êtes maintenant propriétaire. Félicitations ! Vous repartez avec les clefs et des projets plein la tête, mais sans votre titre de propriété. Toutefois, le notaire vous a remis des attestations de propriété, très utiles pour vos démarches administratives (souscription des abonnements eau, gaz, électricité, téléphone, d'un contrat d'assurance incendie, inscription des enfants à l'école). Ces attestations représentent en quelque sorte un titre de propriété provisoire et simplifié. Et pourquoi pas tout de suite le titre de propriété ? Lors du rendez-vous de signature, le notaire vous a expliqué que l'acte de vente est « publié au bureau des hypothèques » et qu'il faut attendre plusieurs mois avant de recevoir le titre de propriété et le compte définitif des opérations effectuées. Pourquoi attendre si longtemps ? Il est important de savoir que le notaire a autant de formalités à accomplir après la signature de l'acte qu'avant. Vous avez vu, lors du rendez-vous, qu'il avait constitué un dossier volumineux préalablement à la vente. Il a interrogé notamment les services de l'état civil, de l'urbanisme, du cadastre, des hypothèques et la banque du	You’ve just signed the deed of purchase for your new home at the *notaire*’s office. You’re now the owner. Congratulations! You leave the office with the keys and a head full of ideas, but you don’t have the certificate of title. However, the *notaire* has provided you with certificates of ownership, which are very useful for various tasks (signing up for water, gas, electricity and telephone service; obtaining a homeowner's insurance policy; registering your children for school). These serve as a kind of temporary, simplified certificate of title. But why don’t you receive the document itself right away? When you signed the deed of purchase, the *notaire* explained to you that the deed of sale is “published in the mortgage registry” and you would have to wait several months before receiving the certificate of title and the permanent record of the transaction. Why such a long wait? It’s important to remember that the *notaire* must deal with as many formalities after the deed has been signed as before. During your meeting, you probably noticed that the *notaire* had compiled an enormous amount of information even before the sale took place. He or she had been in contact with the civil registry office, zoning authorities, the cadastral agency, mortgage lenders and the seller’s bank.

vendeur.

En effet, chaque acte de vente d'un bien immobilier (appartement, maison ou terrain) est précédé de la constitution d'un dossier spécifique, quelle que soit l'importance de la transaction. Le notaire appelle cette phase du dossier « les formalités préalables ». Après la signature de la vente, un certain nombre d'opérations, « les formalités postérieures», sont également accomplies. La plus importante est l'enregistrement. Elle a lieu au bureau des hypothèques. C'est le moment où l'acte est publié au fichier immobilier et où le notaire verse à l'administration fiscale les droits et taxes payés par l'acquéreur lors de la signature (improprement appelés « frais de notaire »). Par ailleurs, le notaire fournit à différentes administrations (bureaux du cadastre, des hypothèques) des copies et des extraits de l'acte de vente. Parmi ces documents, une copie spéciale appelée « copie authentique », signée par le notaire, sera retournée à celui-ci revêtue des cachets de l'administration fiscale. Ce document constitue votre titre de propriété. Par ailleurs, n'oubliez pas que l'original de l'acte sera conservé par le notaire en son office pendant cent ans, avant d'être confié au service des archives départementales.

Pour l'accomplissement de ces formalités postérieures à la vente, le notaire respecte des formes strictes. Ses actes prennent place dans les files d'attente des différents services administratifs auxquels il a l'obligation de s'adresser. Chaque année des millions d'actes sont traités par ces services où ils font l'objet de contrôles rigoureux. Des délais de traitement plus ou moins longs sont inévitables. Sauf exceptions, le notaire transmet l'ensemble des documents aux différentes administrations dans les deux mois de la signature de l'acte de vente.

Lorsque votre titre de propriété : la « copie authentique », revêtue des cachets officiels, est retournée à votre notaire, celui-ci effectue les dernières opérations comptables vous concernant et clôture le compte ouvert à votre nom en son office pour votre achat. Si vous aviez trop versé lors de la signature, le solde créditeur vous est envoyé avec le relevé de votre compte et votre titre de propriété. Si vous n'aviez pas assez versé, le notaire vous demandera un complément. Entre la signature de l'acte de vente et la réception de votre titre de propriété, il s'écoule en général de trois à six mois. N'hésitez pas à interroger votre notaire. Il vous indiquera la date prévisionnelle à laquelle vous recevrez votre titre de propriété.

In fact, a *notaire* will compile a complete dossier before any property asset (a flat, a house or a plot of land) is sold, regardless of the size of the transaction. Your *notaire* calls this phase the “preliminary formalities”. Once the deed of sale has been signed, there are more tasks to be completed – the “post-sale formalities”. The most important is registering the sale at the mortgage registry. This is when the deed is published in the land register and the notaire submits the fees and taxes paid by the purchaser when the deed is signed (incorrectly known as “*notaire*’s fees”) to the tax authorities. In addition, the *notaire* provides copies and abstracts of the deed of sale to various public agencies (the cadastral authorities, the mortgage registrar). One copy in particular, known as the “certified copy” and signed by the notaire, will be returned to his or her office duly stamped by the tax authorities. This document is your certificate of title. Don’t forget that the *notaire* will keep the original copy of the certificate in his or her offices for one hundred years, at which time it will be turned over to the archives of the territorial department.

The *notaire* must comply with some strict requirements when performing these tasks after the sale. The certificates that he or she prepares are added to a queue at each relevant government agency. These agencies process millions of certificates every year, and each one is rigorously inspected. Fairly long delays are inevitable. But the *notaire* will always submit each document to the various agencies no more than two months after the deed of sale was signed.

Once the certified copy of your certificate of deed, complete with the official stamps of approval, has been returned to your *notaire*, he or she will take care of some remaining accounting transactions and close the file on your purchase. If you paid too much when the certificate was signed, the remaining balance will be sent to you along with a statement of your account and the certificate of title. If you still owe money, the *notaire* will ask for the remainder. In general, you’ll receive the certificate of title about three to six months after you signed the deed of sale. Don’t hesitate to ask your *notaire*. He or she can tell you approximately when you’ll receive your certificate of title.

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Les obligations du vendeur d'immeuble
Obligations of the seller

Le vendeur d'un immeuble (appartement, maison, terrain) a l'obligation d'informer son acheteur. D'une façon générale, il doit lui transmettre tous les renseignements qu'il détient sur l'immeuble Certaines de ces informations sont d'ailleurs prévues par la loi. Les tribunaux sanctionnent sévèrement tout manquement du vendeur à cette obligation générale. Si celui-ci cache une information importante, l'acheteur peut obtenir une réduction du prix ou l'annulation de la vente dans les cas les plus graves. Le vendeur est alors condamné au remboursement du prix et parfois au versement d'indemnités à l'acheteur qui a subi un préjudice (frais de déménagement, de recherches d'un autre logement). Il est donc très important de respecter ces contraintes. Or, la liste des renseignements que le vendeur doit fournir à l'acheteur s'allonge continuellement. Les informations à fournir sont de nature juridique et technique. Sur le plan juridique, le vendeur doit, par exemple, informer l'acheteur de l'existence de servitudes (de passage, de vue, d'écoulement des eaux), d'hypothèques ou de privilèges (pris au profit d'une banque pour garantir un crédit) ou d'autres charges (pacte de préférence ou contrat d'affichage publicitaire). Au plan technique, le vendeur d'appartement en copropriété a par exemple l'obligation de fournir la superficie exacte du logement (loi Carrez). Le carnet d'entretien, obligatoire pour les immeubles en copropriété, doit être communiqué au futur acquéreur. Le vendeur doit aussi, dans certains cas, informer sur la présence éventuelle de termites, de plomb ou encore d'amiante. Le vendeur de terrain à bâtir doit préciser si un bornage a été effectué et informer sur les règles d'urbanisme applicables au terrain et les possibilités de construction. Il faut également tenir compte de l'environnement de l'immeuble : existence éventuelle de risques naturels prévisibles dans la région (inondation, mouvements de terrain), de servitude d'urbanisme, conformité de l'installation d'assainissement individuel de la maison, exploitation d'une activité polluante à proximité. Le devoir d'information du vendeur est vaste et sa responsabilité, importante. Les renseignements doivent être données à l'acquéreur dès la signature du contrat préliminaire. Il est donc important d'être conseillé par un professionnel du droit et de l'immobilier, avant de mettre en vente un bien immobilier. N'hésitez pas à rencontrer votre notaire et surtout, ne signez pas sans son avis. Il vous accompagnera dans votre projet et vous aidera à le réaliser en toute sécurité.	Those who sell a property (a flat, a house or a plot of land) are obligated to inform potential buyers. In general, sellers must provide all the information in their possession regarding the property. Indeed, some of this information is required by law. French courts impose heavy fines on sellers who fail to comply with this obligation. If the seller conceals important information, the buyer can obtain a lower price on the property or, in the most serious cases, annul the transaction altogether. The seller is then ordered to refund the purchase price and in some cases pay compensation to buyers who sustained a loss (such as moving expenses or the cost of finding new housing). It is therefore very important to comply with these obligations. And the list of information that the seller must provide to the buyer is constantly growing. Generally, this information is legal or technical. For example, from a legal standpoint, the seller must inform the buyer of any easements on the property (regarding passage through the property, views, water runoff, etc.), mortgages or liens (issued by the bank as security on a loan) or other expenses (right of first refusal, advertisement contracts). With regard to technical information, the owner of a jointly owned flat is required to provide the exact surface area of the residence (under France's Carrez law). The future buyer must receive a copy of the maintenance log (*carnet d'entretien*) that is mandatory for any co-owned buildings. In some cases the seller must also inform the buyer if termites, lead or asbestos have been found on the property. Parties selling land for development must specify whether the plot's boundaries have been marked and must inform buyers of any applicable zoning regulations and building options. The building's immediate environment should be considered as well: Is there a foreseeable risk of natural disaster in the region (e.g. floods, earthquakes)? Are there any zoning easements? Does the home's drainage system comply with regulations? Are there any businesses nearby that generate pollution? Every seller has a significant obligation to provide this information and is liable for failing to do so. Such information should be provided to the purchaser when the preliminary agreement is signed. So it's important to obtain the advice of a professional who specialises in property law before putting a property on the market. Don't hesitate to meet with a *notaire* and, above all, don't sign anything before obtaining his or her advice. Your *notaire* can offer assistance and help you bring your plans to fruition in complete security.

SCI

Property investment partnerships (SCIs)

L'intérêt de constituer une SCI

La société civile immobilière (SCI) a pour objet d'acquérir ou le cas échéant, de faire construire des immeubles (maison, appartement, immeuble entier), en vue de les louer à un tiers ou de les mettre à disposition gratuite de ses associés. Il faut au moins deux personnes pour la constituer. Un contrat écrit dénommé « statuts de la société » est obligatoire. Ces statuts contiennent impérativement des informations sur la société et les associés (nom, siège social, montant du capital, fonctionnement, etc...). Après leur signature par les associés fondateurs, la société est immatriculée au registre du commerce et des sociétés.

Dans une société civile, les associés sont responsables des dettes de la société dans la même proportion que leur part dans le capital. Ainsi, dans une société de deux associés ayant chacun la moitié du capital, chaque associé sera responsable de la moitié des dettes de la société. La confiance doit donc régner entre les associés mais également avec le ou les gérants, lesquels devront être choisis avec soin. En contrepartie, une société permet d'entreprendre à plusieurs ce qui aurait été impossible seul. Ainsi l'achat d'un immeuble par une SCI constituée entre plusieurs associés peut éviter l'instabilité d'une indivision. Toutefois, il faut bien comprendre que l'immeuble appartient à la société et non aux associés, lesquels ne sont propriétaires que de parts sociales. La liberté de décision est alors moins grande. Les associés devront s'entendre pour prendre les décisions, les plus importantes nécessiteront d'ailleurs leur unanimité. Une mésentente persistante entre associés peut bloquer le fonctionnement de la société et nuire aux intérêts de tous.

Si l'on a bien conscience des contraintes de la société, celle-ci peut constituer un outil efficace de gestion du patrimoine. Elle permet d'associer les enfants et les parents dans un achat immobilier (résidence secondaire ou maison de famille par exemple). Plus tard, la transmission de la part des parents aux enfants ou aux petits-enfants pourra être progressive, par petites fractions, et avec un coût fiscal mieux étalé dans le temps. Certains conseillers en « défiscalisation » présentent la SCI comme un bon moyen de payer moins d'impôts. Ceci n'est pas tout à fait exact, bien que dans certaines situations précises, une opération d'acquisition, de construction ou de transmission d'un immeuble s'effectue dans de meilleures conditions, tant juridiques, financières, que fiscales. Parlez de votre projet à votre notaire. Seule une analyse personnalisée et approfondie permettra de dire si la constitution d'une société

The purpose of a property investment partnership (*société civile immobilière*, or SCI) is to acquire or, in some cases, provide for the construction of buildings (houses, flats or entire buildings) to be rented to third parties or provided free of charge to the partners. An SCI must consist of at least two partners. A written contract, known as the by-laws, is required of every SCI. These by-laws must contain information on the firm and its partners (including its name, headquarters, total assets, method of operation, etc.). Once the by-laws have been signed by the founding partners, the partnership is registered with the local trade and companies register.

The partners in a partnership are liable for the firm’s debts in proportion to their share in its capital. For example, in a partnership consisting of two partners who each hold one half of the firm’s assets, each partner will be liable for one half the liabilities. Therefore, there must be complete trust not only among the partners but also between the partners and the firm’s manager(s), who must be chosen wisely. The advantage is that when several partners join forces, they are able to undertake projects that would have been impossible for one person acting alone. By purchasing a building as an SCI made up of numerous partners, buyers can avoid the instability inherent in simple joint ownership. However, bear in mind that the building belongs to the partnership and not to its partners, who merely own shares in the partnership. There is consequently less freedom in decision-making. The partners must be able to reach consensus in order to make decisions; indeed, the most important decisions will require unanimity. Lasting disagreements among the partners may paralyse the firm’s operations and prove detrimental to the interests of all parties.

So long as these constraints are borne in mind, partnerships can be an effective tool for asset management. Children and parents can be included in a real estate acquisition (such as the purchase of a second home or vacation home). Later on, the parents’ share of the property can be gradually transferred to children or grandchildren in small increments, with a tax burden that is spread out over time. Some tax advisors suggest that an SCI is an effective way to reduce your tax liability. That isn’t entirely accurate, although in certain circumstances the acquisition, construction or sale of a building can be conducted more efficiently by an SCI from a legal, financial and tax standpoint. Tell your *notaire* about your plans. Only a comprehensive analysis of your specific circumstances can determine whether a partnership is

est adaptée à votre situation. En effet, il ne faut pas devenir associé sans précautions et créer une société dont vous ne saurez plus comment sortir ensuite. Une rencontre avec votre notaire sera d'autant plus utile que, dans certains cas, il est recommandé de rédiger les statuts par acte notarié, pour éviter des remises en cause ultérieures, notamment lors de la création d'une société entre époux ou entre héritiers éventuels. HAUT DE PAGE	appropriate for you. You should never enter into a partnership without taking certain precautions, nor establish one without knowing how to extricate yourself later on. Moreover, under some circumstances the by-laws should be prepared as a notarial deed in order to avoid having them challenged in the future, especially if spouses or eventual heirs are involved, and in this case a meeting with your *notaire* will prove essential.

Organiser son Patrimoine / Organizing your estate

Ne mettez pas tous vos oeufs dans le même panier
Don't put all your eggs in one basket!

En matière de patrimoines, petits ou grands, il existe une règle d'or : la diversité, source de sécurité face aux changements imprévus. L'équilibre entre les divers éléments d'un patrimoine, actifs financiers et biens immobiliers par exemple, limite les risques de perte. Certains éléments de votre patrimoine peuvent être destinés à vous procurer des revenus, tandis que d'autres peuvent être réservés à votre usage. Peut-être avez-vous aussi des projets (déménagement, retraite) et vous voulez disposer de votre capital dans deux, trois, voire dix ans. La composition de votre patrimoine devra tenir compte de ces exigences. Le rôle du notaire est celui d'un conseil en organisation et en transmission patrimoniales. Il diffère de celui des conseillers en gestion de patrimoine que sont les banquiers, les assureurs et les gestionnaires de patrimoines indépendants, car le notaire intervient toujours dans le cadre d'une approche globale du patrimoine de son client, en assurant un suivi à long terme. Il va ainsi l'appréhender sous tous ses aspects et intégrer les différentes composantes d'une opération, telles que l'âge du détenteur du patrimoine, la composition de sa famille, ses objectifs en matière de transmission, la fiscalité applicable. La vision globale du notaire contribue à la sécurité juridique dont bénéficient ses clients. Il analysera avec vous toutes les particularités de votre situation, y compris dans la perspective d'une transmission future. Les aspects fiscaux seront pris	Whether your estate is large or small, there is one golden rule to live by: diversity provides security against unforeseen changes. For example, when your estate is balanced between financial assets and real estate, you limit your potential for financial loss. Some components of your estate can be designed to generate income, while others are reserved for your personal use. Perhaps you have plans for the future (a move, retirement) and you want to be sure that your assets are available to you two, three or even ten years down the road. Your estate should be arranged so as to reflect these requirements. The role of a *notaire* is to help you organise and transfer your assets. *Notaires* differ from consultants in estate management, such as bankers, insurers and independent estate planners, in that they always take a comprehensive approach and provide follow-up over the long term. They will assess every aspect of an estate and address the various factors that enter into a transaction, such as the estateholder’s age and number of family members, his or her objectives with regard to transferring assets, and the relevant tax law. This all-inclusive view is part of the legal security that *notaires* provide for their clients. The *notaire* will work with you to assess your current situation in detail, and can help to plan a future asset transfer. And although no decision about your estate should be based on tax issues alone, your *notaire* can incorporate these concerns into your planning. All of us have our own plans and goals that require specific attention, and there are as many solutions as there are

en compte même s'ils ne permettent pas, à eux seuls, de prendre une bonne décision patrimoniale. Les projets de chacun sont uniques et doivent faire l'objet d'une analyse spécifique. La diversité des individus impose la variété des solutions. Votre notaire le sait. N'hésitez pas à le rencontrer.	individuals. Your *notaire* is aware of this. Don't hesitate to call for an appointment. HAUT DE PAGE

Transmission de son patrimoine / Transferring an estate

Manifestation de solidarité familiale et d'affection lorsqu'elles sont consenties à des enfants ou petits-enfants, les donations peuvent aussi s'adresser à des personnes étrangères à la famille. Elles bénéficient par rapport à la transmission successorale d'une fiscalité très allégée.	Gifts are expressions of family cohesion and affection when they are given to children or grandchildren, and can also be made to persons outside the family. Gifts are very lightly taxed in comparison with the transfer of assets through inheritance.

Les avantages exceptionnels de la donation
Gifts offer exceptional advantages

La donation est d'abord un acte de générosité. On ne donne qu'à ceux que l'on aime, membres de sa famille ou non. On peut aussi donner à une oeuvre, une association ou une congrégation que l'on soutient. Dans tous les cas, la donation est un acte sérieux car, sauf exception, elle est définitive. Celui qui donne doit être parfaitement informé des conséquences de son geste. La loi protège les intérêts de la famille et fixe des règles précises pour que la donation produise tous ses effets.	A gift or donation is, first and foremost, an act of generosity. You make gifts only to those you love – members of your family and others as well. You can also give to a charity, an association or a congregation that you support. A donation is always a serious step because, with a few exceptions, you cannot take it back. Donors must be fully aware of the consequences of their gift. The law protects the interests of the family and lays down precise rules to ensure that the gift has the intended consequences.
Donner peut aussi être un geste de bonne gestion du patrimoine familial. Votre logement est peut-être devenu trop grand après le départ de vos enfants, et son entretien, une charge trop lourde. Il est possible de le donner à un enfant, tout en continuant à l'habiter. Une clause de l'acte de donation vous donnera le droit d'y habiter ou de le louer. Sauf accord différent, les gros travaux et les taxes foncières seront à la charge de votre enfant. Vous ne supporterez plus que l'entretien courant, certains travaux ne concernant pas le gros oeuvre et la taxe d'habitation. La donation peut également être consentie en contrepartie d'une rente. Elle	Giving can also reflect proper management of your family assets. Perhaps your house has become too large now that your children have left home, and maintaining it is too expensive. You have the option of giving the house to one of your children while you continue to live in it. A provision in the deed of gift will give you the right to live in or rent the house. Unless you agree otherwise, your child will be responsible for major renovation work and property taxes. You will be responsible only for routine maintenance, certain tasks that do not involve major

constitue ainsi un complément de retraite précieux.

La donation simplifie l'avenir. Le bien ayant été transmis de votre vivant, il n'y aura plus de droits de succession à payer à votre décès. Elle permet aussi d'éviter les difficultés d'un partage de succession. D'un commun accord avec vos enfants, vous pouvez procéder au partage anticipé de vos biens ou d'une partie seulement. On parle alors de donation-partage.

La donation permet également d'importantes économies d'impôts, notamment en cas de transmission d'entreprise, d'exploitation agricole ou d'immeuble. C'est un bon moyen de transmettre un ou plusieurs biens dans de bonnes conditions : en payant moins de frais et en choisissant le moment de leur paiement. Afin d'encourager une transmission plus rapide des biens entre les générations, la loi fiscale prévoit une réduction sur les droits. Enfin, de nouvelles mesures fiscales facilitent la transmission des entreprises.

N'hésitez pas à contacter votre notaire. Il étudiera avec vous la solution la mieux adaptée à vos désirs et à vos moyens.

construction, and the council tax on your residence. A gift can also be made in return for an annuity. This can provide an invaluable supplement to your retirement income.

Gifts can simplify your plans for the future. When you transfer an asset while you're still alive, you eliminate the inheritance taxes that otherwise must be paid after your death. This helps you avoid problems that could arise when your estate has to be divided. By mutual agreement with your children, you can conduct an early distribution of all or just a portion of your assets. We call this division by *inter vivos* gift.

Gifts can also bring significant tax savings, especially if you are transferring a business, a farm or real property. It's a good way to transfer one or more assets under favourable conditions: the costs of the transfer will be smaller, and you can choose when to pay them. Specifically, in order to expedite the transfer of assets from one generation to the next, France's current tax law provides for a reduced tax (50% or 30% lower) depending on the donor's age (under 65 or 75 years of age respectively). In addition, this tax is reduced by 50% for gifts in fee simple that are approved up until 30 June 2005, regardless of the age of the donor. Finally, new tax measures are making it easier to transfer businesses.

Let's take the example of a man aged 68 with one child, owning a home valued at €130,000. Upon his death, his child would theoretically pay €15,100 in estate tax. With a donation of bare ownership that allows that parent to live in the house or even to rent the house and collect the rental payments, the tax burden would be only €6,930, and there would be no estate tax to pay. That's a difference of more than €8,170 on the same asset! Moreover, since the value of the home is likely to increase before the death of the parents, the estate tax would be calculated on the basis of a sum greater than €130,000, which would increase the tax bill still further.

Don't hesitate to contact your *notaire*. He or she will work with you to find the solution best suited to your wishes and your resources.

HAUT DE PAGE

Donner à ses petits-enfants
Giving to your grandchildren

Chaque grand-parent peut donner à un petit-enfant un montant de 30.000 euros, sans avoir à payer de droits à l'administration fiscale.	As of 1 January 2003, each grandparent can present a grandchild with a gift of up to €30,000 without having to pay anything to the tax authorities.
Au-delà de cette somme, des droits doivent être versés au Trésor public. Leur montant est calculé en proportion du montant donné. Ce pourcentage varie de 5 à 40%. Il sont calculés de la même façon que les droits de succession.	Anything over €30,000 is subject to tax. The total tax is calculated as a percentage of the amount given. This percentage varies from 5% to 40%. The tax is calculated by the same method as estate tax.
Autrement dit, si vous avez trois petits-enfants, vous pouvez donner, sans payer de droits de donation : - grand-père : 30 000 € x 3 petits-enfants = 90 000 € - grand-mère : 30 000 € x 3 petits-enfants = 90 000 € Total donné par les grands-parents sans verser de droits = 180 000 €	In other words, if you have three grandchildren, you can give the following amounts without having to pay a gift tax: - grandfather: €30,000 x 3 grandchildren = €90,000 - grandmother: €30,000 x 3 grandchildren = €90,000 Total given by the grandparents, with no tax liability = €180,000
N'oubliez pas que cette possibilité peut être utilisée tous les 6 ans, car l'administration fiscale « oublie » les donations après 6 ans. De même si vous n'utilisez pas tout l'abattement, le surplus reste disponible pour une deuxième donation.	Bear in mind that you can make such a gift every ten years, since the tax authorities “forget” gifts after ten years. And if you don’t use the entire allowance, the extra portion is still available for a second gift.
Cet abattement de 30.000 euros est immédiatement applicable aux familles dans lesquelles une ou plusieurs donations ont déjà eu lieu. Par ailleurs, cet abattement est cumulable avec celui prévu en faveur des handicapés. Enfin, il s'applique aux donations faites aux arrière-petits-enfants lorsque ceux-ci ont perdu le parent qui était petit-enfant du donateur.	This new allowance of €30,000 takes effect immediately for families that have already made one or more gifts. In other words, if you gave €15,000 to a grandchild in 2001, you can give the same amount again in 2003 without having to pay tax. Moreover, this allowance can be combined with the allowance for disabled family members. Lastly, it also applies to gifts made to great-grandchildren who have lost the parent who was the donor’s grandchild.
De plus, des réductions de droits liées à l'âge des grands-parents donateurs sont applicables. Depuis quelques années, plus le donateur est jeune (celui qui donne), plus la facture de droits diminue.	In addition, you can benefit from tax reductions linked to the age of the grandparents making the gift. For the past several years the rule has been: the younger the donor, the lower the tax bill. The tax is reduced by 50% for donors under the age of 65 and by 30% for donors between

N'hésitez pas à interroger votre notaire, il vous permettra de prendre vos décisions en toute sécurité.	the ages of 65 and 75. Above the age of 75, these is no reduction in tax. However, up until 30 June 2005, the gift tax is reduced by 50% for gifts that grant full ownership, regardless of the age of the donor. Apart from the tax aspects of gifts by grandparents to one or more of their grandchildren, you need to be aware of certain rules in French civil law. Specifically, you need to comply with the “forced heirship” stipulation. This rule bars parents from disinheriting their children by, for example, giving all their property to their grandchildren. In order to avoid any legal problems later on between children, parents and grandparents, your *notaire* will calculate the portion that you can give without fear of triggering a family quarrel. You can then go ahead and perform a favour for your grandchildren. This forced heirship rule is very often grounds for calling in a *notaire* to draft your deed of gift. In fact, an official deed prepared and executed by a *notaire* is legally required when the gift involves real property (land, a flat, a house). In other cases, the law allows gifts by hand, which are reported to the tax authorities, and customary gifts commensurate with your income (small gifts are not subject to any specific rules). However, one drawback of these two procedures is that they sometimes prove harmful to other members of the family, even unintentionally. Without proper legal advice, you run the risk of upsetting the balance of equality within your family or, worse, infringing the forced heirship rule that applies to your children. Don’t hesitate to consult your *notaire*, who can help you make the right decision in complete security. HAUT DE PAGE

Création d’entreprise / Starting a business

Créer ou transmettre une entreprise : conseils
Starting and transferring a business: Some recommendations

Les propriétaires d'une entreprise individuelle (commerciale, artisanale, agricole) ou de parts d'une société familiale (SARL par exemple) ou même d'actions d'une société anonyme cotée en bourse, ont des préoccupations communes. Ils doivent en assurer la conservation et si possible le développement. Ensuite, le moment venu, il leur faudra aussi réussir la transmission de l'entreprise pour en garantir la pérennité et récupérer leur investissement.	Owners of small businesses (such as those in the retail, trade and farming sectors) share numerous concerns with part-owners of a family business (such as a limited liability company) or even shareholders in major corporations. They need to make certain that the business can survive and, if possible, expand. And when the time comes, they need to ensure a smooth transfer of the business so as to guarantee its long-term health and recover their investment.
La création et la vie des entreprises, quelle que soit leur taille, posent à leurs propriétaires des questions identiques : comment obtenir le meilleur résultat avec les moyens dont je dispose ? comment bénéficier d'un financement performant avec les risques les plus faibles ? quelles garanties donner à la banque ou aux fournisseurs ? faut-il se porter caution de l'entreprise ? faut-il être en entreprise individuelle ou en société ? combien coûte la constitution d'une société et laquelle choisir ? que prévoir pour la retraite ? comment transmettre l'entreprise et à qui ? De nombreux aspects sont essentiels et doivent être soigneusement étudiés avant toute décision. En particulier les choix juridiques de départ mais aussi ceux effectués tout au long de la vie de l'entreprise : achat, vente, emprunt, transformation, fusion, apport, cession. Il faut toujours étudier simultanément les aspects financiers et techniques mais aussi et surtout les aspects familiaux, juridiques et fiscaux, souvent très liés dans notre législation. La situation du propriétaire d'entreprise doit être envisagée en même temps que celle de l'entreprise. Avant toute décision, la situation personnelle, familiale et patrimoniale de l'entrepreneur et de ses éventuels associés doit être examinée.	Owners of any business, regardless of its size, face the same questions: How can I obtain the best results with the resources at my disposal? How can I obtain the most effective financing at the lowest possible risk? What guarantees do I need to give the bank or suppliers? Do I need to provide a surety for the business? Should I operate as a sole proprietorship or as a corporation? How much does it cost to start a company, and which type of company should I choose? How should I plan for retirement? How can I transfer the business, and to whom? There are many critical factors that must be carefully studied before making a decision. These include the legal options available not just at the outset but over the entire life of the business: purchasing, sales, loans, conversions, mergers, contributions and transfers. Potential or current business owners should always consider not only financial and technical factors but also – and at the same time – family, legal and tax issues, which are often closely interwoven in French law. They need to plan for their own future along with that of the business. Before making any decision, entrepreneurs should examine their personal and family circumstances and assets, as well as those of any partners they may have.
Prenons quelques exemples. Le fait que les associés d'une société soient membres d'une même famille peut influer sur sa transmission. Les clauses d'agrément pour les cessions de parts sociales en tiendront compte. La situation personnelle des associés, célibataires, soumis à un pacte civile de solidarité ou mariés sous tel ou tel régime matrimonial, influe également sur le mode de fonctionnement de la société et donc sur la marche de l'entreprise. Dans certains cas (associés mariés entre eux) il faut choisir la forme authentique (notariée) pour les statuts de la société et les cessions de parts, pour éviter des conséquences juridiques et fiscales fâcheuses. Le régime matrimonial du commerçant ou de l'artisan modifie la façon dont la banque financera l'entreprise, notamment sur le plan des garanties. Les investissements et la trésorerie peuvent en être directement affectés.	Let’s take a few examples. When the partners in a business are members of the same family, this situation may affect any transfer of ownership. Provisions authorising the sale of company shares will take this into account. The personal circumstances of the partners – whether they are single, in a civil solidarity pact or married under one of several marital regimes for allocating a couple’s assets – will also affect the company’s operating methods and hence its day-to-day workings. In some cases (for example, when partners are married to each other), the official (notarial) form must be used for the company by-laws and for the sale of interests in the company, in order to prevent unwelcome legal or tax consequences. The terms of the entrepreneur’s marital regime will influence the way the bank finances the business, particularly with regard to guarantees. This may in turn have a direct impact on the company’s investments and cash flow.

En cas de difficultés financières, l'organisation juridique des locaux d'exploitation (boutique, atelier, bureaux, usines, bâtiments agricoles) est déterminante. Leur mode d'achat ou de financement (en direct, au moyen d'une structure sociétaire, en crédit-bail) aboutira à des résultats très différents. Quelle que soit la taille de l'entreprise (petit commerce, cabinet libéral ou société) et le secteur d'activité, les aspects familiaux et financiers doivent être pris en compte dès la création de l'entreprise. Ils sont déterminants dans le choix de la forme juridique de l'entreprise. Certaines situations guideront vers la forme d'une entreprise individuelle, d'autres vers la constitution d'une société : il faudra alors choisir le type de société possible. Les aspects humains sont essentiels. Par ailleurs, le fait que le chef d'entreprise n'ait pas organisé sa succession peut conduire à la disparition de l'entreprise à son décès, surtout s'il est accidentel ou prématuré. Des précautions doivent être prises. Depuis la création de l'entreprise jusqu'à sa transmission, il est préférable d'être guidé dans le labyrinthe juridique et fiscal par un professionnel compétent. Prenez contact avec un notaire, généraliste du droit de la famille et du patrimoine. Sa vision globale à long terme permettra une organisation cohérente de votre patrimoine professionnel, en harmonie avec vos souhaits personnels. En le consultant avant de prendre une décision importante, vous éviterez bien des mauvaises surprises. HAUT DE PAGE	If financial difficulties arise, the legal structure governing the operating premises (shop, workshop, offices, factories, farm buildings) will be a decisive factor. The purchasing or financing methods used (e.g. direct purchasing, purchases via a shareholder organisation, leasing) will yield very different results. Regardless of the company's size (small business, professional practice or corporation) and business sector, family and financial factors should be taken into consideration from the moment the company is established. These factors will be critical for deciding what legal form the company should take. Certain circumstances call for a sole proprietorship, while in others a joint stock company is more appropriate: entrepreneurs must choose what is right for them. The human factor is essential. Moreover, if a company owner fails to arrange for a successor, the company may fail upon the owner’s death, especially if he or she dies accidentally or prematurely. Owners should therefore take due precautions. Throughout the company’s lifetime, from its creation to its eventual transfer, entrepreneurs need professional guidance to help them negotiate the maze of legal and tax issues involved. Don’t hesitate to contact a *notaire*, who is familiar with all aspects of family and estate law. The comprehensive, long-term perspective provided by a *notaire* will help you organise your business assets coherently and in keeping with your personal objectives. By seeking the advice of your *notaire* before making any major decisions, you can avoid many an unpleasant surprise down the road.

Insaisissabilité du logement / Exempting homes from seizure

Loi pour l'initiative économique : rendez votre logement insaisissable !

The law on economic initiative: Ensure that your home can't be seized!

L'entrepreneur individuel peut protéger son domicile de ses créanciers profes-sionnels, en le rendant insaisissable, par une simple déclaration notariée. C'est l'une des facultés proposées par la loi du 1er août 2003 pour l'initiative économique – dite loi Dutreil.

L'insaisissabilité bénéficie aux personnes physiques immatriculées à un registre de publicité légale à caractère professionnel (registre du commerce et des sociétés, répertoire des métiers, registre de la batelerie artisanale) et à celles exerçant une activité professionnelle agricole ou indépendante (commerçants, artisans, agents commerciaux, agriculteurs, professionnels libéraux). Elle porte sur la résidence principale.
Lorsque l'immeuble est à usage mixte pro-fessionnel et d'habitation, seule la partie affectée à l'habitation fait l'objet de la dé-claration, sous réserve qu'elle soit désignée dans un état descriptif de division.

Bien sûr, le logement devient insaisissable uniquement à l'égard des créanciers pro-fessionnels de l'entrepreneur et pour les dettes nées après la publication de la déclaration.

Cette insaisissabilité prend fin lors du décès de l'entrepreneur, en cas de renonciation ou encore, si lors du partage après divorce, le logement n'est pas attribué à l'entrepreneur.

Seules les dettes de l'entreprise sont concernées et non les dettes personnelles.

La procédure est simple et peu coûteuse. La déclaration d'insaisissabilité est établie par un notaire, publiée au bureau des hypothèques et mentionnée dans un registre de publicité légale à caractère professionnel ou dans un journal d'annonces légales pour les personnes non tenues de s'immatriculer (comme les agriculteurs).

L'insaisissabilité du bien n'empêche pas de le vendre. Dans ce cas, le montant de la vente est également insaisissable s'il est utilisé dans un délai d'un an pour acheter une nouvelle résidence principale. Lors de l'achat, grâce à une simple déclaration de remploi des fonds et d'insaisissabilité dans l'acte d'acquisition, le nouveau logement restera insaisissable, à hauteur de la somme provenant de la vente du précédent logement.
Ne passez pas à côté d'une mesure profitable pour vous, votre entreprise et votre patrimoine en général. Consultez votre notaire : spécialiste du patrimoine et de la famille, il vous informera sur les avantages offerts par la loi.

The Law on Economic Initiative of 1 August 2003 is designed to make it easier to start and transfer a business.

Under this law, any natural person who is self-employed may have a statement prepared by a *notaire* and filed with the mortgage registry, stipulating that his or her primary residence may not be seized. This protection applies to debts incurred in the course of one's business. The value of such a provision should be apparent to any self-employed worker (tradespeople, shopkeepers, farmers, professionals).

The same law establishes more favourable tax rules governing gifts of businesses and the sale of company shares, exempts certain taxpayers from the wealth tax and offers new tax reductions for acquisitions of small and medium-sized businesses.

These provisions, which come into effect on 1 January 2004, are described in more detail below.

1. Partial exemption from the gift tax: Gifts in fee simple of shares in a company or a sole proprietorship governed by a commitment to custodianship of shares will be partially tax-exempt (as in the case of inheritance). This could reduce a taxpayer's total tax bill by as much as half. The conditions of eligibility for this exemption have been relaxed: the taxpayer must hold at least 20% of listed securities (reduced from 25%).

2. New rules governing businesses' gifts to staff: The old system, which granted a reduction of €15,000 (applied against the total tax bill upon authorisation of a gift of shares to a business's employees), has been replaced by rules stipulating that gifts in fee simple of a business concern, customer base or shares (up to the value of the business or customer base) are tax-exempt. The value of the business or customer base must be less than €300,000; the recipients must continue operations for five years and must be responsible for day-to-day management of the company.

3. A reduction in the registration fees for any tax-liable transfer of shares: The base for this 4.80% fee is subject to a reduction of €23,000, proportional to the percentage of shares transferred. If all the company's shares are sold, the full €23,000 reduction is applied. However, this measure does not apply to companies whose assets consist primarily of real property.

4. New exemptions from the wealth tax (*impôt de solidarité sur la fortune*, or

ISF): Partners who do not qualify for the exemption applied to business assets will, under certain conditions, be exempted from the wealth tax for up to half the value of their company fees, as part of a collective commitment to the custodianship of shares. In addition, securities received as part of a capital subscription (excluding contributions in the form of buildings or negotiable securities) for a small or medium-sized business (i.e. one with fewer than 250 employees and turnover of no more than €40 million per year or a balance sheet total of no more than €27 million) operating in the industrial, commercial, trade, farm or professional sectors will now be exempt from the ISF. Moreover, any company executives who do not hold 25% of the share capital will be exempt from the wealth tax with regard to business assets, so long as the value of the shares they hold exceeds 50% of the gross value of goods that are subject to the ISF.

5. A tax reduction for certain buyers of small and medium-sized companies: Once the law takes effect, those who borrow in order to subscribe for a portion of the capital of an unlisted company (subject to the corporation tax) will receive a tax reduction equal to 25% of the interest paid on the loan. This reduction is capped: if the purchaser is single, widowed or divorced, the maximum reduction is €2,500 per year; for those who are married or in a civil solidarity pact, the maximum is €5,000 per year.
The law has other provisions as well. Don’t miss out on new rules that might be beneficial to you, your business and your estate. Be sure to consult your *notaire*. As a specialist in estate and family law, he or she can tell you more about the benefits offered by this new law.
HAUT DE PAGE

Régime matrimonial du chef d’entreprise
Marital regimes for business owners

Quel régime matrimonial choisir ?
Which marital regime should I choose?

Les époux et leur patrimoine sont soumis à un ensemble de règles juridiques appelées « régime matrimonial ». Même s'il est possible de changer de régime matrimonial au cours du mariage, les futurs époux doivent réfléchir avec le notaire sur l'opportunité de signer un contrat de mariage et le choix de leur régime matrimonial. Aujourd'hui, sans contrat de mariage, les futurs époux seront automatiquement soumis au régime de la communauté de biens réduite aux acquêts (régime légal pour les mariages célébrés depuis le 1er février 1966).

Le régime matrimonial fixe les droits et obligations de chacun des époux sur les biens et les dettes. Les choix possibles sont nombreux et variés. Le droit français offre aux époux des solutions répondant à toutes les situations de famille, de fortune et d'âge. Bien choisir avant de se marier est très important, même s'il est possible de changer de régime par la suite.

Pour le chef d'entreprise (commerçant, artisan, agriculteur, professionnel libéral, travailleur indépendant, industriel), le choix d'un régime matrimonial est particulièrement important, compte tenu des risques de la vie professionnelle. Dans tous les cas, il sera important de veiller aux conséquences de son activité sur les intérêts de sa famille. Est-il souhaitable d'exposer sa famille aux poursuites éventuelles des créanciers de l'entreprise ? A l'inverse, est-il intéressant d'utiliser son patrimoine familial pour inspirer confiance à ses associés, aux fournisseurs ou à la banque ? Le chef d'entreprise peut souhaiter préserver sa liberté d'action s'il la juge nécessaire à la bonne marche de son activité. Il doit alors pouvoir décider vite, c'est-à-dire seul. Or, dans certains régimes matrimoniaux, l'accord du conjoint est nécessaire pour des opérations telles qu'achat à crédit, emprunt, garantie, vente d'un bien, bail. C'est parfois une source de difficultés importantes si le conjoint est éloigné ou dans l'incapacité de manifester sa volonté. A l'inverse, dans d'autres cas, les époux voudront que le conjoint soit associé à certaines décisions pour que les chances et les risques de l'entreprise soit partagés.

Toutes ces situations, et bien d'autres comme le divorce, la survenance d'un décès ou la transmission doivent être envisagées selon la situation de chacun, au cours d'un examen approfondi avec le notaire. Il n'existe pas de bon ou de mauvais régime matrimonial, mais il peut exister un régime bien ou mal adapté à vos besoins et à vos désirs.

Trois grands types de régimes matrimoniaux s'offrent à vous : la séparation de biens, la communauté et la participation aux acquêts. Chacun de ces régimes

Married couples and their estate are bound by a set of legal regulations, known as a “marital regime” (*régime matrimonial*). Although it is possible to change your marital regime during the course of the marriage, couples who are planning to wed should consult a notary to determine whether they should sign a pre-nuptial agreement and decide on the best marital regime for them. Under current law, if there is no pre-nuptial agreement, the future husband and wife are automatically subject to a regime in which only those assets acquired since the marriage are considered to be jointly owned (this applies to marriages that have taken place since 1 February 1966).

The marital regime establishes the rights and obligations of each spouse regarding the couple’s property and debts. The French legal system offers a wide range of options to cover all possible combinations of family circumstances, wealth and age. It’s very important to choose the right arrangement before you marry, even though you have the option of changing it later on.
For business owners (including retailers, tradespeople, farmers, professionals, the self-employed, manufacturers), the choice of a marital regime is especially important owing to the risks inherent in business. You should always assess the impact of your business on your family’s interests. Is it advisable to expose your family to possible legal action by the company’s creditors? Conversely, is it worthwhile to use your family assets to gain the confidence of partners, suppliers and banks? Business owners may wish to preserve the ability to act as they see fit to ensure the proper functioning of the business. This requires the freedom to make decisions quickly – in other words, it requires sole decision-making power. Under some marital regimes, however, the spouse’s approval is required for transactions such as a purchase on credit, loans, securities, the sale of an asset or signature of a lease. This can sometimes present substantial problems if the spouse is far away or is unable to express his or her wishes. In other cases, by contrast, the couple will want to ensure that the spouse takes part in certain decisions, so that the two share equally in the company’s fortunes, good or bad.
Couples should plan for each of these scenarios – and many others, such as divorce, death or the transfer of the business – in the light of each party’s personal circumstances, as part of a thorough evaluation conducted with a *notaire*. No marital regime is inherently good or bad, but certain arrangements may be especially appropriate – or especially inappropriate – in view of your specific needs and wishes.
You may choose from among three broad types of marital regimes: separation of property, joint estate, and joint ownership of property acquired after the

peut être personnalisé par des clauses. Il est toujours préférable de s'informer avant le mariage, surtout pour un actuel ou futur chef d'entreprise. Il est toutefois possible, après deux ans de mariage, de changer partiellement ou totalement de régime matrimonial. Un contrat est alors établi par votre notaire. Ce changement est soumis à l'autorisation du juge, ce qui prend quelques mois et peut se révéler difficile à obtenir lorsque par exemple, l'entreprise connaît des difficultés. Mieux vaut anticiper. Renseignez-vous sans tarder auprès de votre notaire.	marriage. Each of these systems can be customised to your circumstances with added provisions. It is always better to learn about these options before marriage, especially if you are a current or future business owner. However, it is possible to change your marital regime either completely or in part after two years of marriage. Your *notaire* will then draw up a post-nuptial agreement. Any such change is subject to approval by a judge, which may take several months and can sometimes be difficult to obtain if, for example, your business is in difficulty. It's best to think ahead. Find out more from your *notaire* as early as possible. HAUT DE PAGE

Bail Commercial / Commercial leases

Le bail commercial : un contrat capital !
The commercial lease: A crucial contract!

Le commerçant, l'artisan ou l'industriel, qui exploite une entreprise dont il est propriétaire dans des locaux loués, bénéficie d'une protection particulière à l'égard du propriétaire des lieux : le statut des baux commerciaux.	Retailers, tradespeople and manufacturers who own and operate a business on leased premises enjoy special protection – in the form of the commercial lease – with respect to the owner of the property.
Pourquoi ? Parce que la loi veut protéger l'entrepreneur et son entreprise, en assurant la sécurité de son bail. L'entrepreneur doit pouvoir compter sur une adresse professionnelle ou commerciale stable pendant une longue période. La fidélité de sa clientèle en dépend. Cette protection spéciale est parfois appelée « propriété commerciale », car le locataire a droit en principe au renouvellement du bail. Pendant la durée du bail, au minimum de neuf ans, le locataire ne peut pratiquement pas être mis à la porte, sauf cas exceptionnels et à condition d'être indemnisé par le propriétaire. Quant au loyer, il peut être révisé régulièrement mais dans le respect d'un plafond légal interdisant des augmentations excessives.	Why? Because the law seeks to protect entrepreneurs and their businesses by ensuring that their leases are secure. Business people need to be able to count on having a stable professional or commercial location over a long period of time; the loyalty of their clientele depends on it. This special protection is sometimes called "leasehold ownership", since in principle the leaseholder has the right to renew the lease. Tenants may not be removed from the property during the term of the lease – a minimum of nine years – except in exceptional circumstances, in which case they must be compensated by the owner. The rent may be changed on a regular basis but must remain below a legally imposed ceiling designed to prevent excessive rent increases.
De son côté, sauf clause contraire du bail, le locataire peut quitter les lieux tous les trois ans. Il a le droit de céder son fonds de commerce comprenant le droit au bail. Mais la « propriété commerciale » ne retire pas au propriétaire le droit de récupérer son immeuble au terme du bail ou à la fin d'une période de trois ans, dans des circonstances précises toutefois, par exemple : construction, reconstruction, habitation personnelle si les locaux comprennent un logement, démolition, ou encore motif grave et légitime, tel que le non paiement du loyer par le locataire. Dans ce dernier cas, un bail notarié, contenant une clause résolutoire permettra une action rapide et efficace. En dehors de ces cas, le locataire a droit, s'il remplit les conditions nécessaires,	The leaseholder, on the other hand, has the right to leave the premises at the end of every three-year period, unless the lease stipulates otherwise. He or she may sell the business, including the right to the lease. But "leasehold ownership" does not eliminate the owner's right to reclaim the building at the end of the lease period, or after every three-year period under very specific circumstances. These circumstances include construction, rebuilding, personal occupation if the premises include a residence, or demolition. The owner may also reclaim the premises on serious and legitimate grounds, such as the tenant's failure to pay rent. In the latter case, a notarial lease that includes a termination clause will enable the owner to take quick and effective action.

au renouvellement de son bail pour la même durée et moyennant un loyer soumis à un plafond. A défaut, il reçoit en principe une indemnité représentant la valeur du fonds ou de son droit au bail. Certains baux commerciaux ne sont pas soumis à ces règles spéciales mais seulement au code civil. Les parties ont alors une plus grande liberté pour fixer le loyer et sa révision, les conditions de cession du bail et la fin du bail. Il s'agit par exemple des locations d'une durée inférieure à deux ans (bail précaire), des locations saisonnières ou des locations de terrain nu et inconstructible. Les règles juridiques s'appliquant au bail commercial sont nombreuses et complexes. Les exceptions sont multiples. Un contrat sur mesure doit être établi et non un simple contrat-type. Pensez aussi aux clauses relatives aux travaux, aux charges, à la répartition de la taxe foncière. Propriétaire ou locataire, ne vous engagez pas à la légère. Consultez le notaire, spécialiste de ces questions. Il vous proposera la solution qui préservera au mieux vos intérêts. HAUT DE PAGE	Apart from these cases, any leaseholder meeting the required conditions has the right to renew his or her lease for the same period of time at a rent that is subject to a legal ceiling. If not, he or she receives, in principle, an indemnity that represents the value of the business or of the leaseholding right. Some commercial leases are not subject to these special rules but are governed solely by the French Civil Code. In this case, the respective parties have greater latitude to set or modify the rent, the term of the lease and the terms and conditions for transfer of the lease. Such leases include those for a period of less than two years (known as a *bail précaire*), seasonal leases or leases on bare land that is not eligible for building. The law applicable to commercial leases is extensive and complex, with many exceptions. Such leases call for a custom-designed contract rather than a mere standard form contract. Bear in mind as well that the contract should contain provisions regarding upgrades to the property, maintenance and service charges, and the allocation of property tax. Whether you are an owner or a tenant, don’t commit to a lease lightly. Consult a *notaire*, who specializes in these issues. Your *notaire* will propose the solution that will best protect your interests.

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Buying in France

French administrative formalities are bound up in "red tape", and a property transaction is no exception. However, the system is in many ways better and safer than that applying in most other countries, including England.

The French law concerning property is more like Scottish law than English. "Gazumping", for example, is not possible, and if you make a written offer on a property that is accepted by the owner, you will usually be expected to put down a deposit of 10% of the purchase price, which you may forfeit if you change your mind, unless there is a bona fide reason for doing so. All normal property transactions must pass through a "notaire" (notary) who is the only person who can make the title searches and obtain certain legal documents necessary to make the transaction possible.

The purchaser can choose the notary he wants to handle the transaction. The purchaser is responsible for the payment of the "notary fees", which depending on the selling price, can be as much as 8% on small old properties (though around 6.5% is more usual), or as little as 1.5 to 2.% on newly built

properties, with an additional cost of around 1 - 1.5% if a mortgage is to be registered on the property. One should note that prices of property are generally advertised exclusive of these charges. The notary does not get the entire fee. His fees are determined by the French state (on a scale which is the same for all notaries) but the latter gets a large share - surprise, surprise!

If an owner wants to impose his notary - which is allowed under French law - be aware that you have the right to choose your own notary who will work in collaboration with the owner's notary. In fact, it is quite common to have two notaries working on the same transaction, with no additional cost to the purchaser as fees are shared. However, the delay may be a little longer due to the necessity for the two notaries to correspond with each other.•

Let us take a hypothetical example of a property transaction. Mr Brown has visited some properties with "Coast and Country". He decides to make an offer on a property listed at 300,000 Euros and informs "Coast and country" that he is prepared to pay say, 280,000 Euros. "Coast and Country" will normally require a written offer from the purchaser in order to be able to convince the owner to accept the offer.

Once the two parties have come to an agreement on the sale price, the terms and conditions of the sale are discussed with the notary who then prepares the preliminary contract or "compromis de vente". This contract is just as important as the final document transferring title as it must contain all the clauses and conditions precedent to the sale. These include clear title, easements, certificates stating whether the property conforms to current legislation on asbestos and other matters, and, most importantly, whether the purchase is subject to the condition of obtaining finance.

Signature of the compromis de vente should not be taken lightly. Before doing so, Mr Brown should be absolutely sure that he wants the property and that he is aware of the contents of the contract he is signing. Should the notary not speak sufficiently good English, Mr Brown should ask for a translator or, if the contract has been sent to him in the UK, have it explained to him word for word in English.

It is usually at this stage that a deposit of 10% of the purchase price (5% when purchasing property "off plan") has to be made. Payment, by cheque, which must be drawn on a French bank, or bank transfer, will normally be made to a notary and although some agencies with the correct insurance have the right to put a cheque into their own escrow account, it is probably wiser to insist on making the payment to the notary whom you wish to act for you.

Mr Brown will receive a copy of the compromis de vente signed by both parties, and from the date of reception he has seven days in•which to change his mind. At the end of this period, the contract becomes binding and the transaction is now "under compromis". The owner cannot sell to anyone else, nor change the price, and if he refuses to sign the final document the purchaser can obtain a court order forcing him to sell. On the other hand the purchaser can pull out without loosing his deposit if one of the clauses or conditions precedent inserted in the contract has not been fulfilled. Otherwise he may be able to pull out but will almost certainly loose his deposit.

The notary will require two or three months from the signing of the compromis to prepare all the necessary paperwork before getting the parties together to sign the title deed ("acte definitive"). During this period it is wise to consult with the notary or a tax lawyer to decide what is the best way to purchase in order to avoid future difficulties, for example with French succession law.

When both the parties have signed and Mr Brown has paid to the notary the remaining 90% or 95% of the purchase price as well as the notary fees, the notary settles any debts the owner may have

(typically to banks), pays "Coast and Country" their commission and then gives the balance to the owner.

As of the final signature, Mr Brown becomes the legal owner of the property and receives the keys.

Alistair Buchan
General Manager
Coast and Country

HAUT DE PAGE

Mortgages in France

It is generally not difficult to obtain a mortgage to purchase your property in France and your Coast & Country representative will be able to give you advice. However, there are certain things a potential buyer needs to know.

Firstly, when you sign the reservation contract at the sales office, you must have already decided whether or not you are going to take out a mortgage because you will be asked by the sales person to write out a sentence on the contract in French, and sign to say if you are not having a mortgage.

Secondly you must have your mortgage arranged and agreed on before you sign your "acte de vente" at the notary's, usually 1 to 3 months after you have signed your reservation contract, if you are taking one out.

There are various options as to where to obtain your mortgage or funding to finance your new purchase.

Mortgage through a French bank

French banks are becoming more and more aware of the importance of the mortgage market in France and as a result are very keen to lend money and at very attractive rates and terms. Currently as a non-resident you can obtain a 20-year mortgage for 70% of the property value at between 3 - 4% (French resident is 100%, 80% for a European resident and 60-65% for a non-EU resident). Should you wish for help, Coast & Country has good working relationships with French banks, offering attractive interest rates.

A mortgage broker

To take a lot of the hard work out of hunting around for their funds, some of our clients obtain a mortgage through a broker, who will sift the market place for the best deal, one that suits your circumstances best. If yours is a unusual case, Coast & Country will be happy to recommend reputable brokers to you.

The legal costs of buying in France are generally 2.5% (or 1.5% if no mortgage) for a new property and 7 to 10% for an older one, but again you will be advised of the costs when signing your reservation contract. While you do not always need to consult a lawyer who charges about 1%. It is also worth

remembering that when you are buying a property in France with a mortgage, once you have been to the notary's office, the remaining stage payments, up to completion, are made by the bank and carry the bank guarantee. During this period you only have to make interest payments, which currently on a mortgage of •190,000 amounts to as little as •450 per month, or •15 a day! Then when your property is complete, you start making your full mortgage repayment as you enjoy the benefits of owning a property in France or of course you can sell and take your profit.

The actual process of applying for mortgages in France, again is not difficult, and usually takes at most 2 to 3 weeks but can usually be done even quicker. If you are going the French bank route, most of the application can be done by phone, but you do have to visit the bank in France at least once in person, before you go to the notary's. The actual application form, wherever you apply, is very similar, asking questions like date of birth, current address, income, expenditure, current mortgage, employment etc. and again your Coast & Country representative can offer help and guidance to make the application quick and painless.

So in summary, obtaining a mortgage for a French property is generally not difficult, especially with our help, and will not stand in the way of you obtaining the dream apartment or villa you have always wanted, on the French Riviera.

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MORTGAGE REQUIREMENTS

These are the basic documents to send following your mortgage application in France:

- Reservation contract or the "Compromis de Vente."
- Personal details, ie. Copy of passport.
- Last 3 complete tax returns or last 3 payslips with the P60
- Any document showing you have the funds to pay for the percentage of the cost not covered by the mortgage (for instance a bank statement).
- Last 3 statements of your personal current accounts
- If self employed, a professional "Curriculum vitae"
- If you have other loans, their depreciation schedules.

The French banks will only take into account a third of your actual income; your assets and they will then make you an offer.
Please note that when buying a property in France with a mortgage, there is an additional mortgage fee of about 3% of the loan. The property is mortgaged or hypoth•qu•. But for upfront purchases, the property is non-hyphoth•qu• or mortgage -free.

BANK ACCOUNT IN FRANCE

Opening a bank account in France is essential both to pay the monthly instalments on your mortgage, to settle different bills related to your property and to receive your property income. In order to open an account in France, you have to bring the necessary documents listed below, fill out the current account application form and the bank will send you your account details (the so called RIB).
To open an account in France, you need the following:

- A copy of your passport or identity papers
- Proof of address

- A copy of your last 3 bank statements

What is a RIB? It stands for Releve d'Identit• Bancaire (bank account identity slip), is provided by your bank and contains all the details about your bank account: Bank ID, identification of the branch holding your account, account number, control key (cl• RIB), domiciliation and address of the branch. It also includes your international Bank Account Number (IBAN) and the international bank identification code (BIC). This identification slip is designed for your French (or foreign) creditors and debtors who need to carry out operations on your account (credit transfer, payment, etc.

Coast & Country Group

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Document non-contractual.

Whilst every care has been taken in preparing this document, Coast & Country is not responsible for any errors. Laws can and do change. Before signing any binding contract we advise you to take legal and tax counsel/advice by a professional in that field.

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Process of Purchasing a Property in Brittany France

The process of buying a property a can seem daunting with the regulations and the language barrier. We have tried to put together a simple guide to help you through the process of buying a property in France.

Inspections to be carried out by the Seller

When selling a property in France the seller has to inform the potential buyer everything that he or she knows about the property. Technical inspections must be carried out addressing a number of specific issues prior to the sale of the property

Inspections Carried Out

1. If the Brittany property is co-owned the surface area must be provided pursuant to the Carrez Law. The seller must indicate to within 5% the surface area of the property and vouch for this accuracy for a period of one year after the sale. Services of a professional are normally used to take these measurements.
2. Since 1 September 2002 detached properties must be tested for Asbestos. For properties in Brittany built before 1 July 1997 a test for Asbestos must be carried out. This test must be carried out by an authorised, insured professional.
3. Depending on location two other tests may be required as well for termites and lead. If a department is classified as termite-infested a report must be provided by the seller carried out by a qualified, insured professional. With testing for Lead if any department is deemed at high risk for lead exposure properties constructed before 1 January 1948 must have been inspected within the previous year. A copy of this report must be sent to the departmental prefect.
4. From 2005 All Septic tanks must comply with EU Regulations so it is worth asking for a certificate of conformity from the seller.

Purchasing Property in France

Notaires specialise in property and family law. They are public officials authorised by the government to prepare private contracts and are there to assist you. Any property transaction must meet the requirements of French and International Law.

Pre-Sale Agreement

A Pre-Sale Agreement is a contract between the seller and the buyer which in effect freezes the property ensuring no one else can purchase that property. The contract is normally valid for a few months during which time the Notaire will prepare the sale documents. This process normally takes about 3 months but can take longer to obtain the necessary paperwork. This agreement is normally signed within a few days after the buyer and seller have reached an agreement on the property sale.

This agreement obligates the seller to sell the property and the purchaser must provide a security deposit (usually 10% of the purchase price) when the contract is signed as proof of intent to purchase. These agreements are normally prepared by your notaire. The buyer may instruct their own notaire or share the sellers notaire with the fee being shared between both notaires.

Suspensive Condition

A number of provisions (suspensive conditions) can be stipulated within the contract. These provisions stipulate that the contract will be invalidated and both parties released if certain events take place prior to the final sale e.g if the purchaser's mortgage application is rejected, certifcate d'urbanisme (confirmation of planning approval) is not approved, problems arising from the inspection reports etc. These Suspensive conditions have to be agreed between the buyer and the seller and ensure that say for example if you are buying a property and need planning permission to convert into gites this condition is set out in the Purchase Agreement, if planning permission is refused the seller may pull out of the sale and will not loose their deposit.

Once the Agreement has been signed the buyer has a cooling off period of seven days during which time they can withdraw from the agreement and the deposit is returned in full. If after the eight days the buyer changes their mind they will loose the deposit.

It is also important to list in this agreement any items to be included in the sale.

Completion

Once all the conditions of the agreement have been met and the Notaire has all the necessary paperwork the buyer and seller will meet with the Notaire for the final signing of the Acte Authentique (Transfer Document). The balance of funds must also be paid including any tax and Notaires fees. The Notaire will read through the document and both parties will need to sign. The buyer will then receive an Attestation de Propriete (Confirmation of Purchase) and a receipt for the purchase price plus the keys to the property.

Insurance

It is also worth remembering that under French Law the property must be fully insured

by the purchaser at the time of purchase - a certificate of insurance will be asked for by the Notaire at the final signing.

Fees and Taxes

When purchasing a property it is important to ensure that you know the full costs involved. These Notaires fees are primarily paid as tax. The Notaire is responsible for collecting the tax on behalf of the French Government. The tax is normally about 5% of the purchase price, together with another 2% for the Notaires fees and other miscellaneous fees. It is worth checking with the Notaire exactly what these fees are.

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Glossary of Terms

Accompte - Deposit
Acte Authentique - Transfer Document drawn up by the Notaire
Agence Immobilière - Estate Agent
Amiante - Asbetos
Attestation de Propriete - Confirmation of Purchase
Bon de Visite - Form completed by a person before they view a property. This form means that if for a set period of time you wish to purchase the property viewed you must purchase it through the Notaire or Agent you signed the form with
Cadastre - Register for local town planning
Carte Professionelle - Professional registration of an Estate Agency
Certifcate d'urbanisme - Confirmation of Planning Permission
Clause Suspensive - Suspension Clauses which can be included in the initial agreement for purchase
Compromis de Vente - Purchase Agreement Drawn up between the buyer and seller of the property.
DDE - Department of the Environment (responsible to the Mairies as instructors for planning permissions etc.)
Etude de Sol - Test carried out for permission for a Septic Tank
Fosse Septique - Septic Tank
Geometre: Surveyor
Hypothèque: mortgage encumbering the property as a security for the payment of money

Immobilier - Property or Estate Agent
Impot - Tax
Mandat - Form
Mandat de Recherche - Form which a buyer signs when engaging an agency to search for a property
Notaire - Public Official authorised by the French Government to to prepare private

contracts
Permis de Construire - Planning Permission
Promesse de Vente - Undertaking to sell the property
Taxe D'Habitation - Habitation Tax payable for occupation of a property
Taxe Fonciere - tax payable for ownership of a property
Toutes Taxes Comprise (TTC) - price includes all sales taxes

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Taxation in France

Local Taxes

There are two local taxes which are both based on the property's theoretical rental value which is adjusted in line with inflation. The rates of tax will vary from region to region due to the varying rates of tax imposed by the regional and local governments.

Taxe d'Habitation

The occupier of the French home is liable for this tax. It is due of the 1st January and is payable by the person who was the occupier at that date. There are exemptions for over 60s and also if the property is incapable of occupation due to it needing extensive renovation. The test is whether the property is furnished and whether you can convince the local mayor!

Tax Foncière

The owner of a French home is usually liable for this tax, also known as `impot foncière', a land tax which is generally payable in one lump sum on the 1st January in each year. Unlike the taxe d'habitation, apportionment can be made between the buyer and seller. If there is an apportionment this should be stated in the contract for sale. This tax is even payable on unbuilt land. It may be divided into two parts, one for the building and some of the land surrounding it, the other for the remainder of the land. There are exemptions for some agricultural land and the owners of new property have, at the time of writing, a two year exemption.

Personal Taxation

As a non-resident property owner in France, you may be liable for income tax, value added tax wealth tax , capital gains tax and inheritance tax. Individual situations vary considerably and it is best to seek specialist advice from a tax consultant who has knowledge of the French tax system.

Income Tax

Non-residents are obliged to make an annual return for income tax - impôt sur le revenu - if they receive income from letting property or from providing bed-and-breakfast accommodation. If you become involved in the management of any lettings, it may be possible to offset a proportion of your expenses against any income tax paid

in another country. Even if you do not let your French home, here is the possibility that the French tax authorities may seek to charge you income tax on 3 times the notional income from the property if you are a tax resident of a country which has not entered into a double taxation treaty with France.

Capital Gains Tax

The CGT tax laws in France have recently changed and we will be updating this section shortly.

Inheritance Law and Taxation

If you buy a property in France, your ability to give it away or to leave it by Will is governed by French Law. This gives your legal heirs entrenched rights to a certain proportion of your French estate. This proportion is known as the `Reserve Legale'. It is only the remainder, the ` Quotit disponible' that you can freely give away by a lifetime gift or a Will. To explain this complex situation it is probably best to give an example. Say, you are survived by one child then you can not give away any more than half your French estate either during your lifetime or by Will. If you are survived by 2 children then this limit is reduced to one third and to one quarter if you are survived by 3 or more children. Should you have no children then other members of your family may qualify as legal heirs and so enjoy entrenched rights to a proportion of the estate. You cannot vary the share of your French estate which each of your legal heirs is entitled to take in their capacity as a legal heir but you can vary out of which part your legal heir can take their share. A husband or wife is not a legal heir and has no right to the legal reserves. French law, does however, allow you to make certain disposals to your spouse which go beyond what she would be entitled to if he or she were a mere stranger.

A lifetime gift of your French home or an interest in it will attract gifts tax - droits de donation - similarly, on your death your French estate will attract succession tax - droits de succession. After various allowances, which are decreasingly generous from spouses to children, the tax is charged in a series of bands which are at the time of writing 5% for spouses. children and parents rising to 40% on large assets, 35% for brothers and sisters rising to 45%. It is a complex subject and specialist advice should be sought.

One way of avoiding the effects of French Inheritance law is to set up a company for the purpose of buying the property. Such companies are called `sociétés civiles immobilières' or SCI. If you own shares in an SCI, which owns the property, you can dispose of them in accordance with the law where you are domiciled. This will not lead to the avoidance by your heirs of inheritance tax it merely means that you will be able to dispose of the property as you see fit. An SCI is quite expensive to set up and expert advice should be sought before doing so.

Another way is to buy the property jointly or `en tontine'. It is however extremely complex process which is extremely difficult to unscramble once set up. It quite simply means that on the death of one partner the property passes to the survivor. Whilst it mitigates the effects of French inheritance law it does not mean that inheritance tax can be avoided.

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Selling a Property in France

Is there anything to consider before instructing an agent?

All property agents, agence immobillier are required by law to be licensed and hold a carte professionnelle. Most agents will be members of a professional association, for example FNAIM, which is the largest association.

Your agreement with the agent will be either exclusive, mandat exclusive or or non-exclusive, mandat simple. Whichever you chose the fee will be the same and as a result almost all sales are on a multiple agency basis. The agent's fee is usually about 5% to 6% (including VAT at the rate of 19.6%) on the eventual sale price.

You can, of course, seek to sell the property yourself without employing an agent. If you do use an agent you should seek reserve to yourself your right to sell the property. There is a risk that if you do not you could be obliged to pay the agent commission even if you find your own buyer.

You have a buyer, now what happens?

The purchaser will instruct a French notaire who will act for both parties. However, as the seller, you can instruct your own notaire who will assist the buyer's notaire. The two notaires will share the one fee.

As you may recall if you bought the property, an agreement to purchase, the compromis de vente or promesse de vente is usually prepared and signed by the parties, within a week or so of orally agreeing the sale with the buyer. The sale agreement can be prepared by the agent or the parties legal advisor not necessarily by a notaire.

You should ensure that any terms you want are included in the contract and that you are clear that the buyer has properly understood what is and what is not included in the sale (for example the dishwasher is included but you will be taking the sculptures from the garden). For small items it may be easier to agree an inventory to be attached to the contract.

- See the **Property Purchase Transaction** page for a summary of the types of contract and common contract conditions.

The buyer will pay a deposit of 10% of the purchase price, to the agent, legal advisor or notaire on the seventh day of reflection after the signing of the compromis de vente, which s/he will hold as a stakeholder.

Can you withdraw from the sale agreement?

On signature of the sale agreement as the seller you are effectively fully committed to the sale, should you withdraw you will be obliged to return the deposit to the buyer and pay him a further 10% of the sale price, even if you get a better offer after the sale agreement has been signed.
However, you should remember that the position is different for the buyer. Under French law the buyer has a "cooling off" period of eight days after signing the agreement. In this period a buyer is free to change his mind should he wish and withdraw from the agreement. He will receive the return of the deposit in full and the agreement is at an end. Should the purchaser withdraw after the eight-day period has passed, the deposit will be paid to the seller.

What happens after contracts have been signed and the deposit paid?

The legal advisor or the notaire will deal with the formalities of checking the title and making enquiries of any developments intended in the vicinity of the property.

Depending on the age and the location of the property the seller might be obliged to instruct experts to provide a certificate after inspecting the property for the presence of lead, termites and asbestos.

What is the role of the notaire?

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Under French law the transfer deed, the acte authentique, to transfer the property to the buyer at completion, must be prepared by a notaire. The notaire will act for both the seller and the buyer, though the buyer will instruct him and pay his fee. There is nothing to stop you as the seller from instructing your own notaire who will assist the buyer's notaire and share the fee with him.

You should remember that the notaire does not represent the interest of either party in the transaction; his role is not the same as, for example, an English solicitor in a

property transaction.

You cannot assume that the notaire will speak anything other than French. If you are unfamiliar with the French language and French legal procedure it is prudent to obtain independent legal advice and guidance from an English-speaking lawyer or qualified legal advisor who can work in conjunction with the notaire.

What happens at completion?

Usually, the parties will meet at the notaire's offices to sign the acte authentique and pay the balance of the purchase price. The notaire will use the money to repay the outstanding mortgages, if any.

The notaire is a government official who will also act as a tax collector. He will collect any tax that may be due before forwarding any balance of the sale price to you. Tax may be payable if, for example, the property is not your principal residence there may be a liability to pay tax on any capital gain and you might be obliged to pay the fees of a tax representative, représentative fiscal.

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French Property Taxes

French Tax on Residential Property

The two principal taxes on residential property are collected by the State for the benefit of the collectivités territoriales, namely the local authorities of the Région, Département and Commune.

What taxes are there?

- The principal taxes are ***taxe foncière***
- and ***taxe d'habitation***. Both apply to all residential property - houses and flats.

These taxes are each assessed at an individual rate voted by each collectivité territoriale. They vary in very substantial proportions from one location to another. The commune rate of tax is often higher in main towns than in suburbs or small villages. Before renting or buying a property it is therefore wise to request details from the estate agent or owner.
(Property used for a business or profession is subject to taxe professionnelle)

What is the difference between taxe foncière and taxe d'habitation?

- In simple terms, ***taxe foncière*** is levied from the proprietor (owner) of residential

properties situated within France. Property is defined in quite wide terms and includes, for example, boats permanently moored for habitation.

- ***Taxe d'habitation*** is also applicable to all residential properties, but it is due from the occupant, whether the occupant is the owner, the tenant or a free occupant.

"Occupation" includes, not only actual daily or regular use of the property, but also if the tax payer has the "possibility" of occupation, meaning: the property is available for his occupation - it is furnished and supplied with water and electricity - even if it is only occupied on brief or occasional visits.

Who is liable to Pay?

- ***Taxe foncière:*** the owner of the property on the first day of January is responsible for paying the tax for that year.
- ***Taxe d'habitation:*** the occupant (the owner or tenant) of the property on the first day of January is responsible for paying the tax for that year. If the tenant vacates the property during the year and fails to pay, the owner remains jointly liable, unless he notified the tax collector of the new address of the tenant.

How is the taxe foncière calculated?

The tax base is determined by the valeur locative cadastrale. It represents the notional annual rent if the property was let on the open market. However the valeur locative is often substantially lower than the market rental value.
Every year, the valeur locative is multiplied by a factor to reflect the national variation of prices. For the last five years, the resulting increase has been about one percent a year. From time to time the tax authorities review the individual values of properties - the last overall review took place in 1974.
After relief for various allowances, the net base is multiplied by the current tax rates as voted by the councils of the relevant région, département and commune. A collection fee (frais de rôle et de recouvrement) of 2.5 percent of the resulting tax is added for the State.
Two different rates are applicable for developed and undeveloped land called bâti and non-bâti. For residential property the developed area is the land on which the house and outbuildings are built plus a defined area of additional land surrounding the house. A single property, if large enough, can therefore be liable to both taxe foncière bâti et non-bâti and either one or two tax bills may issued.
To accurately reflect changes in values, the property owner must submit a declaration to the tax authorities with details of any material changes, within 90 days of completion. "Changes" include the construction of a building, structural changes to an existing property; a change of use (for example the conversion of a rural worker's property to a holiday home); but also less substantial work including the addition of a swimming pool or a central heating system.
As a rule of thumb, changes that require the grant of a building permit or a building

declaration must be reported to the tax authorities. The changes may be exempt from tax for two years, although that exemption can be lost or reduced in the case of late reporting.

How is the taxe d'habitation calculated?

It is also calculated by reference to the notional rental value of the premises as adjusted.

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Are there any discounts or allowances?

The most common for taxe d'habitation is for the principal residence and for dependent persons, for example children; also discounts are granted for the disabled, aged and those on a low income. There are limited allowances against taxe foncière for new and reconstructed properties and for certain additions to existing properties.

What about payment?

Those who are liable to pay taxe foncière or taxe d'habitation are not required to file a yearly return. They will be notified of the amount by an avis d'imposition which will state the amount due and the time for payment. The tax bills are usually received towards the end of August and September for payment by October 15 and November 15.

- Penalties will be imposed for late payment. It is possible to elect to pay by monthly instalments.

If you think the assessment is too high you can try to challenge it. You can obtain information concerning the imposition of the tax by consulting the documents cadastraux" at the centre des impôts fonciers. You can also seek to obtain a copy of the fiche de calcul, the calculation sheet to obtain the detailed calculation of the valeur locative (see above for definition). In most cases obtaining information and checking calculations is not easy.

- Reimbursements can be obtained if you are successful in justifying your claim.

What happens when I sell or vacate the property?

If the property is sold during the year, the seller and the buyer often agree to share the tax, by a clause inserted in the conveyance deed and any preliminary agreement. This is however a private arrangement which does not change the legal debtor of the

tax, being the owner on January 1.
If the occupant changes during the year, any private arrangement to share the tax with the new tenant (although this is not common) does not change the legal debtor of the tax, being the occupant on January 1.

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French Taxes

Wealth Tax

French residents the value of whose net assets exceed a certain level are liable to pay an annual wealth tax. This tax is calculated by reference to the total value of an individual's worldwide assets, after deduction of liabilities. However, there are exemptions for business assets and works of art, subject to the proviso that a number of specified conditions are met.

- Take note: as a result of tax treaties some expatriates may be exempt from wealth tax.

If the value of individual's net worldwide assets, assessed on the 1 January, is in excess of €732,000 the excess is subject to a progressive tax which starts at 0.55% and rises to a maximum of 1.8% for the top slice of net assets in excess of €15,255,000 (figures for the year 2005).
Assets include all land and property, shares etc after deduction of liabilities, in the case of a house its value for tax purposes would be after deduction of any mortgage.
Non-residents are also liable to pay wealth tax if the net value of their assets in France on the 1 January is in excess of €732,000. The provisions summarised above will apply.
An annual wealth tax declaration must be made to the authorities, either by post or by internet, by June. The tax is self-assessed and a cheque for payment of the tax due must accompany the declaration.

Inheritance and Gift Tax

What are these taxes?
In general terms, inheritance tax will be levied on the inheritance of assets after the donor's death and gift tax applies to gifts made during the donor's lifetime.
When does the tax arise?
As a general rule:

- if the donor was resident in France at the time the gift was made; or
- if the recipient was resident in France at the time the gift was made; or finally
- if the gift comprises assets located in France,

then tax will be payable.
What is taxable?
Tax is payable on gifts or inheritance of worldwide assets. However, for the purposes of inheritance tax only, tax is calculated on the net value of the asset, after deduction of liabilities. Further, it is subject to the application of international tax treaties to prevent double taxation.
What is the rate of tax?
The available allowance and the rate of tax depend on a number of factors: principally, the recipient's relationship to the donor needs to be established to determine the recipient's personal allowance and the rate of tax payable by the recipient.
From the 1 January 2005 all estates benefit from a general "tax free" allowance of €50,000 which is divided between the beneficiaries in proportion to their rights of succession. In addition the beneficiaries will receive the following:

- An allowance of €76,000 for the surviving spouse; and
- an allowance of €50,000 for the parents and children of the deceased.

The balance in excess of the allowance is taxed at progressive rates from 5% up to a maximum of 40%.
For more remote family members and others, smaller allowances are given and higher rates of tax will apply. Generally the tax ranges from 35% to a maximum of 60%.
Broadly, the rate of tax that is applied to gifts is the same as for inheritance tax.
What exemptions may apply?
The most important relief from inheritance tax are the international tax treaties that provide relief from double taxation. There are some other limited exemptions from inheritance tax but these exemptions are subject to specific conditions being satisfied.

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Capital Gains on Real Estate

Tax on Capital Gains on the Sale of Property in France

The following summary states the law for gains realised after 1 January 2004 on the sale of real estate, that is land and property. For gains realised before this date other rules apply. Bilateral and connected sales are not considered below and are subject to a different regime.
What follows is no more than a summary of some of the key elements:

When will it apply?

Capital gains made on the transfer of ownership of the property are subject to French tax and social taxes, the "CSG" and "CRDS". A transfer of ownership will be a disposal of the asset by sale or an exchange for shares in a company.

The notaire instructed to act in the transaction is a public official. He will act as the tax collector and will withhold the tax due on the gain.

What is a "gain"?
Put simply, a gain is the difference between the original purchase price and the eventual sale price. The costs and expenses of the purchase and the eventual sale, and certain expenses incurred during the period of ownership can be deducted from the gain.
What is the position of residents?
If the taxpayer is resident in France for French tax purposes:

- a gain realised on the disposal of real property may have the benefit of allowances before being taxed at 26%; this figure includes social charges (CSG and CRDS) at 10%.

And the position of non-residents?
If you are non-resident for French tax purposes:

- But a resident of an EU member State, a gain realised on the disposal of real property will be taxed at a flat rate of 16%
- If you are a resident of a non-EU member State, the gain realised on the disposal of real property will be taxed at a flat rate of 33 1/3%

Are there any reliefs or allowances?
Yes. For French residents selling their home in France any gain might not be subject to tax, if the property was their principal private residence.

In certain circumstances a gain made on the sale of a second home might also be exempt, providing a number of conditions are satisfied, including that the individual does not own a principal residence or has been a resident of France for two years or more at any time.
Both French residents and non-residents might have the benefit of the following discount which is applied to a gain made on the disposal of real property, and is calculated by reference to the period of ownership:

- In the first five years of ownership there is no discount.
- In the following 10 years a discount of 10% a year is allowed, with the effect that after 15 full years any gain is not chargeable to tax.

For example, a property is sold after 9 full years of ownership. Any gain in the value will be discounted by 40% calculated as follows:

- Years 0 to 5 = no discount;
- Years 6 to 9 (4 full years at 10% a year = 40%).
- If the gain is €80,000 less 40% = €48,000 taxable gain at 16% tax = €7,680 tax

Certain works completed to the property might also be deducted from the gain, providing that the work was completed by a company or firm and the claimed figure is supported by receipted accounts. The cost of DIY work is not generally deductible, however, after five years of ownership the seller is allowed to add an additional 15% to the purchase price in place of the actual cost of works.

Work that is deductible includes extending the property, renovation and improvement work, such as a new kitchen or bathroom, but does not include decorative works such as painting, decorating and carpeting.
There are other deductions and allowances that are applicable in limited circumstances that we have deliberately omitted from this general summary.

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French Property Capital Gains Tax FAQ

French Capital Gains Tax - New Rules for Property 2004

How have the Rules changed?

Before 1st January 2004 the gain was computed by the French resident taxpayer and included in their annual Tax Return Form 2042. There was no deduction by the notary on completion and to a certain extent the French Revenue relied on the honesty of the taxpayer. There was a special regime for non-French resident taxpayers. The notary dealing with the sale deducted 25% of the net gain made by non-resident individuals and 33 1/3 % made by non-resident companies and paid it direct to the French Revenue. There were regular arguments about whether invoices from non-French VAT registered builders could be deducted in working out the gain. The system has been simplified and both French and non-French resident taxpayers are now broadly treated in the same way as non-residents: deduction by the notary on the sale.

What are the new rates?

The rate of Capital Gains Tax (CGT) for both French and non-French residents, who are residents of an EU country, is 16% of the net gain. If you are French resident you pay an extra 10% in French National Insurance making the effective rate 26%. In other words non-resident's tax rate has been reduced by 9%, which on the face of it should encourage more foreign purchasers in France and will probably drive up prices. Once the 16% has been paid the non-French resident individual taxpayer can have no further French tax liability.

From a tax perspective is French property attractive as an investment?

Yes very much so. The popular perception of France as a high tax country is out of touch with reality. In many cases France is a lower taxing country than the UK and from a tax point of view an attractive place in which to invest in property. The problem for UK investors is that UK CGT rates are now much higher than French CGT rates as you will see from the example below.

What are the rates if you are not a resident of a EU country?

The rate goes up from 16% to 33.3%. This is subject to any applicable Double Tax Treaty, which may improve the position. If you are not an EU resident and plan to buy a French property you need to think about a suitable EU, and probably French, vehicle to buy it in.

Does it matter if you are say an Australian national but a tax resident of the UK?

No, for these purposes the test is tax residency. There is however a surprising sting in the tail for non-EU nationals who live in an EU country and buy a second home in France. Under the new rules non-French residents are exempt from French CGT on any sale of a property provided they have lived in it and been French tax resident for at least 2 years at some time. You do not have to be a French tax resident when you sell the property. You are only allowed this exemption once and you can rent the property provide it is vacant when you sell it.

How does this affect a non-EU citizen who is a UK taxpayer?

Quite simply this two-year exemption does not apply to them. However a UK citizen who is an Australian tax resident qualifies.

Any other exemptions?
Yes. You are exempt from French CGT if you are in receipt of an old age pension or are an invalid. This applies even if you are a non-resident. This is subject to some fairly detailed conditions set out in the tax code. There are a number of other more detailed exemptions. The main residence exemption which is similar to the UK one and which can only apply if you are French resident appears below.
How is the gain calculated for individuals?
This is best illustrated by an example (which is one given by the French Revenue). On 20th January 2004 an individual sold a second home he bought 10 years earlier. No particular exemptions apply. He sold for €120.000 and bought it for €60,980. When he bought the property he had it rewired for €4,753 and changed the Central Heating the following year for €1,206.

	EUR	Comments
Sale price	120,000	Agent's costs can be deducted. Other deductions are very limited
Purchase price	60,980	
Purchase costs (7.5% of 60,980)	4,574	7.5% is the default amount. You may be able to claim more
Works (15% of 60,980)	9,147	Default amount is 15% no proof needed. Otherwise very restrictive and need proof
Amended purchase price	74,701	
Gross gain (120,000 – 74,701)	45,299	
Reductions (5 years) (5 x 10% = 50% x 45,299)	22,650	You deduct 10% for every year after the 5th. So after 15 years you pay no tax
Fixed allowance	1,000	€1,000 always deducted
Net gain 45,299 – (22,650 + 1,000)	21,649	
Taxed at 16%	3,464	French and EU residents pay 16% Non-EU residents pay 33.1/3%
National Insurance	2,165	***Only French residents pay this***

Who works out the tax and pays it over?
The notary dealing with the sale. He is required to complete a tax return and work out the gain. He pays the money to the French Land Registry and if there is a problem the land may end up not being registered. There is accordingly a lot of pressure on the notaries and I suspect in practice if they have any doubts they will hold back money due to the seller until matters are clarified. It is up to you to give him invoices for works. Although not in the legislation the notaries have been told not to allow as a deduction any invoices, which do not have a French VAT number on them. This is a problem for people who have informal arrangements with British builders and

suppliers. A hard line will be taken here on the basis that the 16% tax is very low and UK owners are not paying the extra 10% French residents have to pay. However, there seems no reason to disallow costs incurred with bona fide British buildings and suppliers who provide an invoice with a British VAT number of it. If you have any difficulties please let us know.

Do non-French residents still have to appoint a French Inland Revenue approved tax agent to deal with their tax affairs when they sell?

Previously you had to do this and the notary held back money until your tax affairs were settled. You also had to pay the tax agent's fees which people resented as he was really working for the French Revenue. This was where arguments about deductions of bills for works often took place. This has changed now. If the sale is for less than €150, 000 no tax agent is appointed. You simply fill in form 2090 which the notary will have. If the sale price is over €150, 000 you still need a tax agent. If you have owned the asset for more than 15 years there is no tax agent regardless of price.

What about a main residence?

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This is exempt broadly as in the UK. If the property is entirely residential but you run a business from it, it is still exempt. However if parts of the property are used exclusively for business purposes then only the private part qualifies for the exemption.

If I have two properties in France how do they decided which one is my main residence?

Normally it is where you are most of the time. If in doubt it is where you claimed your reduction for taxe d'habitation (local rates) as a main residence.

My house has various outbuildings, which I want to sell separately. Are they exempt?

They can be if the outbuildings are "next to and necessary to" the main private residence. The rules here are different from the UK ones. An important condition for exemptions that the house must be sold at the same time as the outbuildings though not necessarily to the same person. It is likely to be easier to have it exempt if it is seen as part of the garden rather than a building.

How does this tie in with UK CGT?

It is likely that French CGT will be nil or far less than UK CGT. There are other French CGT exemptions for instance for landlords of furnished properties who have owned them for 5 years. You are taxable in the UK on any French gain if you are resident or ordinarily resident in the UK. There are exemptions from UK CGT for non-UK domiciled individuals who do not remit the sale proceeds to the UK. Similar planning incidentally applies to avoiding UK income tax on the rental income from the French property. Tax planning for UK investors who have seen sharp rises in French property over the last few years focuses on avoiding or mitigating the UK liability. I can assist here though the detail is outside the scope of this article.

It seems unfair that I pay no Capital Gains Tax in France but 40% in the UK. How is the UK gain calculated?

Agreed in many parts of France this is a serious problem. Many UK investors in say the Alps have made staggering gains, which are exempt in France but potentially taxable at 40% in the UK. UK CGT is worked out using UK rules. You cannot claim any French exemptions. Taking the example given above the UK CGT in pounds will be calculated as follows (£1 = €1.40 used throughout for simplicity):

	Amount in GBP	Comments
Sale price	85,715	
Purchase price	43,557	
Purchase costs	3,267	Using the French figure, as this is likely to be close to real figure
Enhancement costs	6,533	Using French figures. *Note: UK Revenue may want actual figures*
Gain before indexation	32,358	
Indexation	43,557 + 3,267 + 6,533= 53,357@15% = 8,004	From January 1994 (141.3) to April 1998 (162.6) (162.6 – 141.3) ÷ 141.3 = 15%
Chargeable gain	24,354	
Taxable gain after non business Taper relief	24,354 @ 80% = 19,483	From 6 April 1998 to 20 January 2004 = 5 complete tax years plus bonus year = 20%
Annual Exemption	7,900	2003-2004 = £7,900
Taxable gain	19,483 – 7,900 = 11,583	
Charged to CGT	11,583@ 40% = **4,633**	Taxed as top slice of income assumes you are higher rate UK taxpayer
Set off French Tax Paid	Additional payable in UK 4,633 – 2,474 = **2,159**	This is the additional amount you pay the UK Revenue

I want to buy and sell regularly. I also want to divide up land into plots and do some new build.

You are likely to be outside these rules. You are likely to be classified as a marchand des biens i.e. a property dealer which puts you under a different (and higher) taxing regime. There is the temptation to try to come within the new rules here but it is high risk. You may get away with it if the development is small and the overall sale price is

less than €150, 000 so no tax agent is appointed and you have an understanding notary! The best advice is not to chance it. You will probably be better off using a UK company and relying on the UK France double tax treaty.
I am interested in "turning" (i.e. selling a contract on before completion) some new build contracts on a new development of Paris apartments.
With sharp price rises in better Paris postcodes last year and no notary fees investors in this market certainly got sparkling returns! This is a specialist area though the use of an offshore company in a country with a suitable double tax treaty with France is likely to be the way forward.
I understand the new rules only apply to sales of private property as opposed to property used for business purposes. Sales of property used for business purposes are taxed under the business capital gains rules (regime des plus-values professionnelles)
This is correct in most cases.
What is the position if you rent furnished property, which is trade in France, and are taxed under Micro-Bic? Are you within the new rules or the professional regime?
The new rules apply to you so long as you are not a "professional landlord" i.e. have registered with the Commercial Registry and generate a certain income. The rules on taxing professional landlords have changed slightly for 2004 but essentially the property is still exempt from French CGT after 5 years of letting. It is accordingly likely to be better to register as a "professional landlord" but advice in this area is essential.
What happens if I have elected to pay income tax under one of the "Real" regimes rather than Micro-Bic?
This depends on whether you have put the property on your balance sheet (bilan). If you have done this then you will pay CGT on a sale of the property under the professional CGT regime, if not you are likely to be taxed under the new regime.
I understand certain companies and trusts come within these the new Rules and the shareholders or partners are taxed as individuals i.e. the company is transparent for tax purposes. Which ones are they?
Things start getting a bit more complicated here, which also means more good tax planning opportunities, are thrown up! Essentially these are companies, which are not subject to French corporation tax. They are generally viewed as transparent for tax purposes similar to English partnerships. They are called sociétés de personnes. They include SCIs, SARLS which have elected for personal as opposed to corporate taxation and regardless of any election the sole shareholder of a SARL who is an individual. This will extend to non-French companies, which French law classifies as having the requisite characteristics. The new rules cover either a sale of a property by such a company or the sale of shares in such company, which broadly is a property company. There is a problem with SCIs if they, say, carry out furnished lettings, which is taxed as a trade in France because they cease to be tax transparent.
So the French Revenue looks through the company and taxes the underlying owners of the company direct?
Broadly yes. If the société de personnes has its registered address (siege) in France

it probably will be French resident under a relevant Double Tax Treaty. The shareholders or partners, whether or not French resident, will be taxed accordingly to their shares as a French resident. No tax agent under is needed. This also applies if the partner is not a EU resident. The partner then is only taxed at 16% not 33.3%. This advantage should not be overlooked when structuring non-EU property investment into France.

What happens if the tax transparent company has its registered office outside France?

If the société de personnes has its siege outside France then this means tax at 33.1/3% is paid if the partner is not a EU resident individual. You pay the 33.1/3% if you are not EU resident even if you are a EU national. The tax position and different rates are summarised below. I have also indicated whether you need to appoint a French Revenue approved tax agent to finalise your affairs before the notary can release all the sale proceeds to you.

Taxpayer	Rate	French NI	Tax Agent Y/N
Individuals			
1: French resident	16%	10%	N
2: EU resident (any nationality)	16%	0%	N if less €150,000
3: Resident outside EU	33.1/3%	0%	N if less €150,000
Tax Transparent Company resident *in* France with gains taxed direct on individual shareholders/partners			
1: Partner French resident	16%	10%	N
2: Partner EU resident	16%	0%	N
3: Partner resident outside EU	16%	0%	N
Tax Transparent Company resident *outside* France with gains taxed direct on individual shareholders/partners			
1. Partner French resident	16%	10%	N if less €150,000
2: Partner EU resident	16%	0%	N if less €150,000
3: Partner resident outside EU	33.3%	0%	N if less €150,000
Non Tax Transparent Companies: traditional UK opaque company taxation			
1. Resident in France	Applicable Corp tax rate		N
2. Resident outside France	33.1/3%		Y any price

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The Property Purchase Transaction in France

What happens next?

The parties usually sign an agreement to purchase, the compromis de vente also known as the promesse de vente within about seven days of the purchase agreed. At this stage you will be obliged to pay a deposit of 10% of the purchase price that will be held by the agent or notaire as stakeholder.

The purchase agreement can be prepared by your legal advisor, the estate agent or a French notaire. If a notaire is involved at this stage, as the purchaser you have the right to choose the notaire you wish to act. If the seller already has a notaire involved in the sale you are not obliged to instruct him and, if you choose another, he will assist your notaire and share the fee with him.

If you are not confident of your understanding of French language or French legal procedure, it is prudent to get independent legal advice to protect your interests and to guide you through the process.

Remember: it is not simply a question of the purchase of a property that you should consider; there are important taxation and inheritance issues that you should deal with at the time. If these issues are addressed at this early stage you can save money and worry in the long term.

How much will the fees and taxes be on your purchase?

You will have to pay tax on the purchase price of about 5% of the value of the property, which will be collected by the notaire. The notaire's fee plus other minor expenses will be about a further 2% plus a further fee is payable to the notaire of 1% of the value of any mortgage you will take.

Generally, you should assume that taxes and fees will be about 7% to 8% of the purchase price of the property, for example on a property costing €300,000 you should allow about €21,000 to €24,000 to cover tax and fees.

What is the effect of the compromis?

The compromis de vente is a binding agreement between the buyer and the seller that may be subject to the satisfaction of a number of conditions, see below.

Under French law the buyer has an eight-day "cooling off" period after signature of the agreement in which you can withdraw from the agreement and the deposit will be returned to you in full. However, if after the "cooling off" period you change your mind and withdraw from the agreement, you will loose your deposit, which will be paid to the seller.

After the seller has signed the compromis he is effectively committed to sell the property to you.

If you are buying a new property "off plan" the agreement may be in the form of a contrat de reservation or contrat préliminaire which will provide details of the property to be constructed and a timetable for completion.

What are the usual conditions in the contract?

There is no hard and fast rule as the conditions must be adapted to suit the needs and circumstances of the parties and the property but the following are common:

Financial: if the buyer requires a loan, the agreement will be made subject to a mortgage being offered to him.

Satisfactory certificat d'urbanisme: confirmation of planning approval and confirmation of developments in the area of the property.

Properties constructed after a certain date and in specified areas must be inspected and a report prepared to confirm the absence of termites, lead and asbestos.

It is important you discuss with your legal advisor or notaire any terms that you wish to see incorporated into the purchase agreement before signature – after you have signed and paid the deposit may be too late.

Make certain that all the items you think are included in the sale, are included. There must be an accurate description of the property being sold in the agreement and you may wish to agree an inventory of small items with the seller. There is no equivalent to the fixtures and fittings questionnaire as used in the UK. It is best to be clear at this stage and avoid disagreement later.

What happens after contracts have been signed?

The title will be checked and certain enquiries made regarding items that might affect the property, for example rights of way, planning and any near by development. If you are taking a mortgage the notaire will act for the lender and deal with the legal formalities, as mentioned above, he will charge a fee of 1% of the value of the loan.

Other points to consider

It is at this point that you may need advice on taxation and the French law on inheritance as the law may be very different from what you may assume might be the case. You will need to consider how the property should be owned, whether personally or through a French property company société civile immobilier.

These are not matters that can be postponed for consideration at leisure after the purchase, as the tax consequences will have immediate effect. It is not always possible to change an arrangement at a later date and, even if it is, a later change can be both difficult and expensive. It is best to get advice at the outset.

What happens at completion?

After the conditions to the agreement have been met the parties attend in person at the notaire's office to go through the documents, in French, before the transfer document, the acte authentique, is signed The balance of the purchase price (after deduction of the deposit) is paid plus the tax and notarial fees. You will receive a receipt for the purchase price and a document confirming your purchase attestation de propriete plus the keys to what is now your property. Later you will receive an exemplified copy of the purchase deed and the original will be held by the notaire.

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SCI and Property Purchase

What is an SCI?

- An SCI is essentially a **fully incorporated company** with a registered office in France. This office can be the property itself.
- The SCI then **owns the property** in question.
- Being a company, the SCI is itself **owned by shareholders**, in most cases, family members.
- The shareholders can be **resident or non-resident** in France.

Note: It is important to note at this point that the tax consequences of the purchase through an SCI should be analysed according to French law and the tax treaty between France and the home country before going ahead with any purchase.

Advantages of an SCI

1. In terms of inheritance, the use of an SCI overcomes some of the disadvantages that France's Napoleonic laws entail.

- French law dictates that upon the death of the home's owner, the property is divided up between the surviving spouse and any children.

The decision about what to do with a property which may now be too big for - for example - an elderly widow, is passed on to the widow and any children either from that marriage or previous. This can be potentially "uncomfortable" where stepchildren are involved.

However, using an SCI and its shareholder status means that the parents can appoint themselves as majority shareholders.

- They can make provision that upon the death of one or the other that his or her **shares**

are passed onto the surviving spouse, therefore ensuring that the controlling share remains in the hands of the parent, and any decision regarding the property belongs to the partner of the deceased.

2. Where succession remains the issue, shares in a company are easier to distribute than immovable property, and so managing inheritance, and transferring the property, is simplified.

3. The shareholder structure means that it is easier to divide up shares, rather than splitting the ownership of a property.

In turn, this makes it easier for individuals with small budgets to pool their funds and buy a property that they would not be able to buy individually.

It is also easier to dispose of the shares without the aid of a notaire, thereby making the SCI more flexible than direct ownership.

4. When using an SCI to buy a property, the net worth of the property can be reduced for tax purposes by way of debt. This can minimise French wealth tax and inheritance tax liability.

5. Where foreign residents are concerned, the use of an SCI can be a great advantage for people whose home inheritance laws are more flexible than French laws, outlined above.

- Upon death, the applicable law is normally the one of the country where the property is located. However, if the property is owned through an SCI, then the **applicable law will be the one of the last country of residence** of the deceased.
- Owning a home in France via an SCI means that the French property becomes **part of the estate of their country**, as opposed to direct ownership of immovable property, which is subject to estate law in France. This is important to bear in mind in terms of inheritance.

5. The terms of an SCI can be changed at any moment.

Disadvantages of an SCI

While there are numerous advantages of owning a property in France through an SCI, there are also a handful of drawbacks which should be considered.

Using an SCI to purchase a property will incur additional expenses.

No matter what property is purchased, the future purchaser will have to pay purchaser's fees to the notaire. On choosing to set up an SCI, one should equally make provision for the registration expenses as well as its running costs. The latter for example being the company's annual accounts.

As with any major financial transaction, it is always best to get the advice of professionals, in this case property law professionals. Each case is different and requires individual, and where possible, an independent study into its necessity and feasibility. Obtaining the assistance of a locally-based professional will ensure that your are receiving the most relevant and current information regarding legislation.

SCI Accounting

If you have chosen to purchase a home in France via the Société Civile Immobilier or SCI and because the SCI is effectively a company, you will need to:

- establish and register your SCI and
- keep annual accounts.

These are some pointers on how to take care of the paperwork involved in running your SCI.

Accounting System

- A French SCI is obliged to maintain its accounting in French, based on the French Tax Code. This means following the French accounting plan.
  Note: The average SCI holds family property and does not have much bookkeeping.
- It would, under these circumstances, be quite hard to maintain normal English (or other) accounting records and it would involve some training to be able to learn how to keep your books on the French basis. It is often easier to use an accountant who works within the French system, the cost of which is probably justified.
- The accounting of an SCI is not regulated as it is not normally used for commercial purposes. You can obviously control your own accounts but this does not avoid the French accounting issues.

Accounting Obligations

For an SCI to exist as a real company it must:

- keep regular records,
- prepare annual accounts
- hold an annual general meeting of the members to approve the accounts.
- maintain statutory records in a legal register.

If this is not carried out, the company can, under the civil code, be considered to be non-existent with the resultant tax consequences. It is important to understand that an SCI is a "moral person" and by not filing annual tax returns one can be assessed for a 3% tax on the market value of the property annually.

How to manage income received on a SCI

When furnished property owned by an SCI is rented out, it is considered a location meublée. The French tax authorities see this as a business activity (as it is owned by a company, the SCI) and the relevant corporation taxes are imposed.

This becomes complicated when the owner of the SCI wishes to cease the rental activity. This is viewed as a change in activity and thus generates an automatic capital gain taxation to which the relative corporate taxes are imposed.

However this problem can be avoided with correct planning, little inconvenience and can save the owners taxation and money. It is therefore best to seek the advice of a trusted tax lawyer or accountant in order to set up the correct structure to minimize your tax liability. It is also essential to seek professional advice when planning to set

up an SCI.
Wealth tax is due on the net value of the shares of the SCI; that means the value of the property, less debt. This even applies to non-residents. Assets are cumulated for wealth tax purposes. (This is not always clearly explained to foreigners.) French case law emphasizes that it is vitally important that records be maintained.
Note: The UK currently is reviewing its treatment of SCIs as they have misinterpreted the French administration's notions of a French SCI. There is considerable correspondence and confusion concerning this issue and the UK Inland Revenue service has agreed to suspend all litigation pending their review on this issue.

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The French Certificat d'urbanisme Planning Permit

The Certificat d'Urbanisme (CDU) is a certificate of town planning or urban development in France. It states the rights attached to a specific property and the buildings on it with regards to their function and purpose, future development and zoning of the property and the associated taxation on all land and buildings in the area.

A relevé or matrice cadastraux, available from the mairie for the area of the property in question, states the current use of the land and the use to which it may be put. For further information you may (for free) request a certificat d'urbanisme.

There are two types of certificat d'urbanisme:

- the **certificate of information** (*certificat de simple information*): This provides information on the existing rights for development of the property but does not tell you if it may be developed beyond what is already allowed.
- the **operational certificate** http://(*certificat opérationnel*): In response to a request, this provides information on whether a specific development may be undertaken on the land.

It is advisable to ask for a CDU before buying property or land in France. It provides information on the development potential of the property and the limitations and obligations attached to that property of any existing rights to build. This can affect your intended plans for the property, as well as its future value.

NOTE: the certificat d'urbanisme does not give authorisation to build - it does not replace the building permit - but is needed if you plan to make any changes to a

property and/or apply for a building permit.

Requesting a Planning Certificate

The CDU states the existing rights to develop the land, the taxation mode, the zone (urban, agricultural or other), the existent or envisaged water, electricity, cleansing and servicing of the ground and other factors.

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If you request a CDU with the intention of renovating existing structures or building new structures you must state clearly the intended purpose of the buildings as well as the probable surface area of all planned buildings. Your operational certificate will declare if the ground can be used for the operation described (and in the event of negative answer, it will say why the project cannot be undertaken).

If you are buying a property for renovation and development (particularly relevant to properties in more rural areas of France) you are strongly advised to include a "condition of sale" clause (clause suspensive) in the compromis de vente (the sale/ purchaser agreement) which is dependent on the results of your operational CDU which has clearly specified the intended purposes of the structures. Your notaire should be able to prepare your CDU application (or direct you to an architect or surveyor who can). The mairie must deliver your certificate within two months of your application.

Using a Planning Certificate

Once you have your CDU, you have two months to contest or change any of the details contained in the document. Read it carefully when you receive it to check for errors. After the two months have passed you will be unable to make any changes. You will need to re-start the process with a new application.

The CDU is valid for one year (renewable on conditions). Within this year you may:

- Present an application for a ***permis de construire*** (building permit). This is presented in accordance with the requirements/permissions of the CDU.
  Note: For example, if the CDU you applied for at the time of purchase notes that the property is for use as a *habitation* (private home) and you submit plans for a Gîte complex – your plans will be thrown out.
  If the total surface area of all the floors of the project exceeds 170 square metres, the *permis de construire* must be prepared and presented by a registered French architect.

- Present an application for a ***declaration de travaux*** for work that is exempt from needing a *permis de construire*.
  Note: These are “buildings of low importance” that fall within specific height and area limitations including open swimming pools, frames and greenhouses within a size limit and structures under 20 square metres. The mairie can provide you with further information.
- Apply for an extension of the CDU, a ***prolongation de validité***. The CDU can be extended for one year from the date of the officially stamped letter from the mairie which comes with the CDU. Request an extension of the certificate for one year, no later than two months before the expiry date of the old certificate. This demand must be done by letter, in duplicate, addressed to the Mayor accompanied by the original CDU and sent by *lettre recommandé* (registered post) with *accusé de réception* (a receipt confirming delivery).
  Note: An extended and valid CDU continues the exact rights that were initially granted.

There is a heavy minimum fine for using land for a purpose other than that prescribed.

Menu Notariat

LEXIQUE Notariat

Acte authentique
Acte sous seing privé (private treaty)
Administrateur de biens (property administrator)
Agence immobilière (estate agency)
Agent commercial
Agent immobilier (estate agent)
Assemblée générale de copropriété (general assembly of the co-owners association)
Assurance RCP (Responsabilité Civile Professionnelle) / (Civil and professional liability insurance)
Bail (lease / rental contract)
Bailleur (Landlord / the person who rents)
Bail commercial (business lease)
Bail d'habitation (residential lease)
Bail professionnel (professional lease)
Bien immobilier (property)
Bon de visite (proof of visit)
Carte professionnelle (professional card)
Charges récupérables (reimbursable charges)
Commission
Compromis de vente (pre-contract)
Conditions suspensives (Suspensive conditions)
Conseil syndical (co-ownership association advisory body)
Contrat de location (rental contract)
Copropriétaire (co-owner)
Copropriété (co-ownership)
Dépôt de garantie (Deposit)
Expert immobilier (property surveyor)
Fisc (related to fiscality)

Fiscal
Fiscalité (fiscality)
Frais d'acquisition (purchase charges)
Garantie financière (financial guarantee)
Hypothèque (mortgage)
Immeuble (building)
Indemnité d'immobilisation
Indivision (part share)
Location (rental)
Location meublée (furnished rental)
Locations saisonnières (seasonal rentals)
Loyer (rent)
Mandat (mandate)
Mandataire (representative)
Mandant (principal)
Marchand de biens (property dealer or trader)
Notaire (the equivalent of a solicitor or a notary)
Nue-propriété (bare property)
Particulier (private owner)
Promesse de vente (promise to sell)
Propriété immobilière (real estate property)
Règlement de copropriété (co-ownership property regulations)
Société civile immobilière (SCI) (real estate trust)
Syndic de copropriété (co-ownership property representative)
Syndicat des copropriétaires (co-owners association)
Usufruit
Valeur vénale (market value)
Vente immobilière (real estate sale)
Viager

Acte authentique

Contract that must obligatorily be drawn up by a solicitor to be published in the 'bureau des hypotheques' and makes the contract open to

opposition by any third parties, that is to say anybody at all, including anyone not mentioned in the contract. The ‘vente immobilière’ (real estate sale) or the exchange must be the subject of an ‘acte authentique’.

Acte sous seing privé (private treaty)

A simple contract between the parties concerned. In sales terms, it can be considered to be the preparation for closing a deal, also called ‘acte préalable’ or ‘avant contrat’ because it will then be replaced by a definitive contract. The ‘acte sous seing privé’ is often used in rentals.

Administrateur de biens (property administrator)

A professional who looks after property management operations in the framework of a ‘mandat’. There is: residential building administration in a’copropriété’ (joint ownership property) where the administrator has the role of the ‘syndic’ (co-ownership association representative), property management for owners, or where the gestionnaire looks after rental management: rent collecting, paying charges, maintenance, repairs…

Haut du document

Agence immobilière (estate agency)

A term that designates a business (often a company) whose role is to offer services and means for negotiation and advice on biens immobiliers (property): sale and rental, advice for buying, property estimations...

Agent commercial

A representative who acts independently, in their own right and without guarantee, in the name of the party that they represent. This status being more flexible than that of an employee, means that it is often used in the field of property negotiation.

Agent immobilier (estate agent)

A professional who represents the owner, the buyer or the tenant, during the sale or the rental of apartments, buildings, private houses, business premises, plots of land… Please note that the ‘agent immobilier’ is not to be the owner of the property that they offer for sale or rent. They act as an intermediary and offer a service that consists of looking for a tenant or buyer with appropriate ‘garanties financières et juridiques’ (legal and financial guarantees) that correspond to the law of January 2 1970. By comparison the transaction between ‘particuliers’ (private owners) does not carry a guarantee of any kind.

Haut du document

Assemblée générale de copropriété (general assembly of the co-owners association)

Meeting which must be attended by all the members of a ‘copropriété’ (joint ownership association). Members vote on the questions on the agenda, and the decisions arrived at become part of the minutes. The ‘copropriétaires’ (joint owners) must meet at least once a year in a general meeting.

Assurance RCP (Responsabilité Civile Professionnelle) / (Civil and professional liability insurance)

In the context of their professional activity estate agents, property managers, property merchants... must be insured against the consequences of their mistakes.

Haut du document

Bail (lease / rental contract)

A document that sets out the contractual relationship between the owner and the tenant. Some of these are subject to special regulations depending on the wishes of the parties concerned as set out by the Civil Code. These are also called ‘contrats de location’ (rental contracts).

Bailleur (Landlord / the person who rents)

The owner who rents the bien immobilier (property).

Bail commercial (business lease)

Rental contract for premises in which a commercial, industrial or crafts activity is carried out. Most of these leases are subject to the decree of 30 September 1953, and they commit the landlord to a minimum term of 9 years. The tenant can terminate the contract every 3 years.

Bail d'habitation (residential lease)

Rental contract for premises used for residential or mixed usage (professional and residential). Most of these leases are for a main residence complying with the present standards for comfort and safety, and are covered by the laws of 23 December 1986 et 6 July 1989. They commit the landlord to a three year minimum term. The tenant can terminate the contract at any time, with a 3 month notice period.

Haut du document

Bail professionnel (professional lease)

Rental contract for premises used exclusively for professional activiites, that is to say in which the tenant carries out a 'non commercial' professional activity, notably free lance businesses (doctors, dentists, associations, unions...). Professional leases are covered by the Civil Code (code civil) relative to the contract for rentals and article 57 A of the law of 23 December 1986. This commits the landlord to a term of three or six years. The tenant can terminate the contract at any time, with a notice

period of 3 months.

Bien immobilier (property)

Property, that is to say building, land, business, share in a property company, etc... In fact, the original notion covered all objects attached to the Earth itself, so immobile (including trees and harvests) and the land itself, and by extension, the moveable property, when attached to the building (sink, fireplace, shutters...). In principle built property must have been subject to planning permission.

Bon de visite (proof of visit)

Document in which an estate agency's client recognizes having visited a property through the intermediary of the agency.

Haut du document

Carte professionnelle (professional card)

Those persons carrying out property management or transactions (estate

agents, property managers) must have a professional card. It is issued by the ‘préfet’ and renewed each year. It specifies the type of activity: “Property or business transactions” or “Property management”. An estate agent who does not have this card cannot carry out his professional activity.

Charges récupérables (reimbursable charges)

This concerns all the expenses of the bailleur (landlord) that can be reimbursed by the tenant. The reimbursable charges are distinct from the main rent. As far as residential leases are concerned, the deductible charges are limitatively listed by the Decree of 26 August 1987. They concern expenses relating to the routine maintenance of the property, the equipment mentioned in the contract, as well as minor repairs and certain taxes

Commission

Term used to designate remuneration paid to an agent immobilier (estate agent) in the context of their professional activity (sale, rental, management...). The estate agent must obligatorily have a mandat (mandate) to sell, rent or manage in order to be eligible for a commission. The remuneration of agents immobiliers (estate agents) (commission and fees) is not fixed and must imperatively be written into all the working documents.

Haut du document

Compromis de vente (pre-contract)

This is a sort of pre-contract signed by the seller and the buyer of a

property either under ‘seing privé’ or drawn up by a professional. The ‘compromis de vente’ commits the two parties and it is usual for the buyer to pay a deposit (in general 10% of the sale price) when the document is signed.

Conditions suspensives (Suspensive conditions)

Are contained in a pre-contract (promesse de vente (promise to sell) on a unilateral basis or ‘compromis’), they suspend the execution of the contract in special circumstances. The contract will not be effective should these circumstances arise. For example, a ‘suspensive condition’ may concern obtaining a loan, planning permission... To be valid the ‘suspensive condition’ must not depend on pure chance or on the will of one party.

Conseil syndical (co-ownership association advisory body)

Made up of copropriétaires (co-owners) designated by the l’assemblée générale (general assembly), it helps the syndic (co-ownership association representative) and supervises their management. It is obligatory except if the majority of copropriétaires (co-owners) refuse it. It often manages the small details and litigation in the day to day running of the co-ownership property.

Haut du document

Contrat de location (rental contract)

See bail (lease).

Copropriétaire (co-owner)

Owner of a bien immobilier (property) in a building where the status complies with copropriété (co-ownership).

Copropriété (co-ownership)

A situation in a building that belongs to several persons at any one time and to each of them separately. The building is thus divided into common and private areas. The co-ownership regulations fix the rules for ‘communal life’. A legal situation covered by the law of July 10 1965.

Dépôt de garantie (Deposit)

Sum of money given over to guarantee that the contract be respected. In the case of rentals it is given to the landlord by the tenant, when he enters the premises, and is returned at the end of the rental period on condition that rent and charges have been correctly kept up with. In the case of a pre contract for a sale (‘promesse’ or ‘compromis’), the deposit ensures that the final contract be signed, see also ‘indemnité d’immobilisation’).

Haut du document

Expert immobilier (property surveyor)

A professional whose role is to estimate, that is to say evaluate, the ‘valeur vénale’ (market value) or rental value of property: residential or industrial buildings, businesses, premises, etc ... In reality, the ‘expertise immobilière’ (survey) covers two sorts of activity:

- one is regulated, in a legal context where the surveyor is designated by a court to carry out a valuation,
- the other is open and concerns conventional surveys.

Fisc (related to fiscality)

All the various government departments involved in the taxation procedure.

Fiscal

Adjective relating to taxation and to the fisc.

Fiscalité (fiscality)

Relates to the tax laws.

Haut du document

Frais d'acquisition (purchase charges)

Total of expenses and entitlements following a vente immobilier (real estate sale). The buyer is generally responsible for these charges. Purchase charges are essentially made up of different entitlements, taxes and fees for getting various administrative documents and, to a lesser extent, the fees of the notaire (solicitor). In France, the purchase charges are reduced in the case of a residential property, and full in the case of a property to be used for a professional activity. (about 20% or VAT). In the case of new property (a building less than 5 years old), the sale is termed "without solicitor's fees", that is to say that the charges are around 3 %. A special situation exists in Alsace Lorraine and in some of the French overseas territories (DOM-TOM). To know the purchase charges on a real estate property, it is advisable to consult a professional.

Garantie financière (financial guarantee)

Guarantees the commitment of the sums at stake in real estate transactions or in the activities involved in property management, when these activities or transactions are carried out by a real estate professional. The financial guarantee is obligatory for all real estate agents or property managers. It is also different according to whether the professional is involved in transactions or management.

Hypothèque (mortgage)

The mortgage is used to guarantee the payment of the debt contracted on a real estate property. It allows the lender to have the debtor's property sold by legal means should they be unable to pay back due sums.

Haut du document

Immeuble (building)

See real estate property.

Indemnité d'immobilisation

Sum paid by the purchaser when the 'avant-contrat de vente' / pre-contract is signed of the type ('compromis' or 'promesse') as a deposit based on the sale price. The amount varies, but normally it is around 10 % of the sale price of the property.

Indivision (part share)

A situation where a property is owned by several persons without there being any kind of physical separation or division. It is the case where there is joint purchase of a dwelling, in an inheritance where the property has not yet been shared out between the heirs, or in the case of a company that is being wound up.

Location (rental)

Premises, land, dwelling... made available to an occupant against the payment of rent. The owner or bailleur (landlord), and the tenant of the property are bound by a bail (lease) or rental contract, the latter not necessarily set out in writing. However, the drawing up of a written contract between owner and tenant is strongly recommended. In France, the regime most often used for residential rentals is ‘location nue’, that is to say unfurnished rental.

Haut du document

Location meublée (furnished rental)

A term that applies to all residences rented with supply of sufficient furniture for everyday life. In this situation the landlord is committed to a term of one year minimum. The tenant has the right to terminate their contract at any time, depending on the wording of the contract.

Locations saisonnières (seasonal rentals)

These are short term rentals, by the week, the month, or maybe the season. They are to be found in areas which have a high through put of residents for a limited period. Most of these rentals are furnished.

Loyer (rent)

Sum paid by the tenant to the owner against the use of bien immobilier (property) used for rental.

Mandat (mandate)

Document in which a person (‘mandant’ (principal)), gives the (‘mandataire’ (representative)), the power to carry out, on their behalf, one or more acts of a legal nature, such as a sale, a purchase, rental... It is obligatory for estate agents and property administrators to hold a mandate in order to sell, rent or manage a property.

Mandataire (representative)

The person or persons selected by the principal to receive the mandat.

Haut du document

Mandant (principal)

The person who gives the mandat (mandate).

Marchand de biens (property dealer or trader)

Business person whose business is to buy buildings in their own right and then to sell them on for a profit. This business is not regulated, so is not covered by the same guarantees as those of an estate agent but is covered by special laws. However many dealers with a good reputation carry out their businesses by renovating the buildings that they buy, so as to sell them in a renovated condition.

Notaire (the equivalent of a solicitor or a notary)

A ministerially appointed officer with the role of being solely responsible

for drawing up certain civil documents as well as their authentification (sale of a building, marriage contract, wills...). The ‘notaire’ also has the role of advisor.

Nue-propriété (bare property)

A legal term covering part of property law. It gives its holder the right to dispose of the property, but does not allow the use, or benefit thereof. The ‘nu-propriétaire’ (bare owner) pays the taxes and charges on the property. For example the bare owner of a building can rebuild it in the context of conservation. They can sell or sign over their rights. They cannot live in or rent the property. Additional rights of the bare owner are the rights of ‘l’usufruitier’ (beneficial owner or life tenant).

Haut du document

Particulier (private owner)

In contrast to the agent immobilier (estate agent) an owner can procede with the sale or rent of a property that they possess. In the same way a private individual can be elected syndic (representative of the co-ownership association) on a voluntary basis in a co-ownership property, but cannot be paid as a professional when carrying out this activity. In this case the buyer, the tenant, or the copropriétaires (co-owners) do not benefit from any kind of financial or legal guarantee as to the management, the funds committed, the drawing up of legal contracts, or of the correct application of these contracts.

Promesse de vente (promise to sell)

A sort of pre-contract signed by the seller and the buyer of a bien immobilier (property). It is advisable to have this drawn up by a professional. There are two types of 'promise to sell' contracts:

- 'La promesse unilatérale de vente' (unilateral promise to sell contract) that commits the seller, and not the buyer, during the time period that must be clearly specified in the contract,
- 'La promesse bilatérale de vente' (bilateral promise to sell), also called "synallagmatique", or 'compromis de vente', that commits the buyer in the same way as the seller. It is usual for the buyer to pay a deposit (in general 10% of the sale price) to guarantee that the contract be fulfilled.

Haut du document

Propriété immobilière (real estate property)

The possession of an 'immeuble', that is to say: land, building, premises, share in a co-ownership property, share in a property company. In France the owner benefits from the full ownership of assets, including the land, the earth, the basement and the airspace needed to build the building according to the laws that cover each building area. Water courses and the sea cannot be private property. River banks and beaches are the property of the local councils.

Règlement de copropriété (co-ownership

property regulations)

This is a written document that stipulates the rights and obligations of copropriétaires (co-owners). It is drawn up by a professional according to information from a surveyor and, if possible, from the builder of the building. It defines the different units (apartments,cellars, parking spaces...) giving the geographic location, floor, surface area and the coefficients used to calculate the charges. It lays down the communal areas of the building as well as the private areas, along with the uses that they can be put to. For example, whether it is possible to carry out a business in the building. Furthermore it gives a summary of everything one must know about the rights and obligations of the copropriétaires (co-owners) of any given building.

Haut du document

Société civile immobilière (SCI) (real estate trust)

This is a category of company whose focus is real estate. An example would be the ‘société civile familiale de placements immobiliers’ which is the family based version of this regime (to group together real estate property within a family group), ‘société civile de construction vente’, a trust established for the building and sale of a property and set up during the construction of a building. The sale of such a company or its shares is

covered by different tax laws to the sale of ordinary real estate.

Syndic de copropriété (co-ownership property representative)

This is someone who represents the group of copropriétaires (co-owners). It is often difficult for all the copropriétaires (co-owners) to act at the same time. To represent them, the ‘syndicat’ (that is to say the co-owners association) elects a ‘syndic’ (representative) during an assemblée générale (general assembly). This is generally a professional who takes out insurance policies, employs any personnel for the building, acts on decisions made in the meetings, supervises the application of the règlement de copropriété (co-ownership property regulations), initiates legal proceedings, and generally ensures that the building is managed correctly. It is the representative who controls the funds of the copropriété (co-ownership property) and looks after the accounting. They are thus responsible for payment of charges and also look after the payment of suppliers. Every year, during the general meeting, they justify and explain the accounts. They can be elected for a period of one or several years.

Haut du document

Syndicat des copropriétaires (co-owners association)

This is a group that represents all the co-owners in a building with the

status of copropriété (co-ownership property). Its objective is the conservation of the building and the administration of the common areas. The decisions are made by the assemblée générale (general assembly). When an apartment changes hands in the building, the new buyer automatically becomes a member of the association.

Usufruit

A legal term covering part of the right of ownership (literally it refers to receiving the fruit resulting from the use of the property, fruit here meaning revenue, profit...). This concerns the right of use and benefit associated with a property where the bare ownership belongs to someone else. This is a temporary right and ends notably when the 'usufruitier' dies. Additional usufruitier rights are the rights of nu-propriétaire (bare property owner). The split of full ownership between nu-propriétaire (bare ownership) and 'usufruitier' often arises because one of the parties in an inheritance (in general the spouse of the deceased) keeps the 'usufruit', and the direct heirs (in general the children) the nue propriété (bare ownership).

Haut du document

Valeur vénale (market value)

The sale value of a bien immobilier (real estate property). The price that the bien immobilier (property) would have fetched if it had been put on sale.

Vente immobilière (real estate sale)

Transfer of the ownership of a bien immobilier (real estate property). The sale must always be dealt with by a ‘notaire’ for it to be authentified from a legal point of view. In practice the sale is preceded by an ‘avant contrat’ (pre-contract) (‘promesse de vente’ unilateral or ‘compromis’) generally drawn up by a professional.

Viager

A sales contract for a bien immobilier (real estate property) where the buyer (called the ‘débirentier’) pays the owner (the ‘crédirentier’), for the duration of the latter’s life, an income also known as ‘arrérage’ (or ‘rente viagère’). In addition to this ‘rente viagère’, the ‘débirentier’ may be expected to make an initial payment, called the ‘bouquet’, largely inferior to the real price of the property and arrived at by deducting the payments of the ‘rente viagère’. The amount of the ‘bouquet’ and the ‘rente’ are calculated in accordance with three parameters: the valeur vénale (market value) of the property, the life expectancy of the ‘crédit rentier’ and the yield of the capital invested. It is preferable to use the services of a professional for this type of sale.

Haut du document

Retour accueil

VOCABULAIRE FRANCAIS-ANGLAIS JURIDIQUE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V

A

à l'amiable : amicably, by private agreement
abonnement : subscription
abus de biens sociaux : misappropriation of company funds
accès aux données : data access
accomplir les formalités : to comply with administrative regulations
accord : agreement, settlement
accrédité : accredited, authorized
Achat :Purchase
Acheteur :Purchaser
acte : act, certificate, deed
acte authentique : document drawn up by a notary, lawyer or public official
acte authentique : document or certificate drawn up by a notary, lawyer or public official

acte constitutif de société : memorandum of association
acte constitutif de société : memorandum of association or incorporation
acte d'association : partnership agreement
acte de cession : deed of transfer
acte de décès/mariage/naissance : death/marriage/birth certificate
acte de nantissement : hypothecation certificate, mortgage certificate
acte de procédure : writ, process, summons
acte de société : deed of partnership
acte extrajudiciaire : act out of court, extrajudicial act
acte judiciaire : writ
acte juridique : legal transaction
acte notarié : deed written and authenticated by a notary
acte public : official document
acte sous seing privé : written private agreement, but not witnessed
Acte : Deed of sale
actes de l'état civil : birth, death, marriage certificates
actif et le passif : assets and liabilities
actif net : net assets
actif social : company's assets
action (part du capital social) : share, stock in a company
action en indemnité : claim for compensation
action en liquidation de l'actif social : action for liquidation of a company's assets
actionnaire : shareholder, stockholder
actionner : to take legal proceedings against someone; to file suit, or sue
ADEJE : Association Nationale d'Aide au Dévelopement des Nouvelles Entreprises : national association for the development of new businesses
ADIE : Association pour le Droit à l'Initiative Economique : agency offering assistance to job seekers
adjoint : assistant, deputy
adjudication : sale by auction
adjudication judiciaire : compulsory sale by court order
administrateur : administrator
administrateur délégué : managing director
administrateur judiciaire (en matière de faillite) : executor, official receiver; referee in bankruptcy proceedings
administrateur judiciaire en matière de faillite : official receiver
administrateur judiciare : official receiver
Administration Fiscale : Inland Revenue(GB), the Internal Revenue Service (US)
administration fiscale : tax authorities/office
affaire : transaction, business

AFPA : Association pour la Formation des Adultes : professional training for adults
AGA : Association de Gestion Agréée : management and accounting assistance association for the professions. Membership in an AGA qualifies the company for a reduction in taxes.
agent agréé : authorized agent
AGIRC : Association Général des Institutions de Retraite des Cadres : confederation of executive pension institutions
agréé : approved, authorized
agricole : agricultural
agriculteur : farmer
AM : Assurance maladie : health insurance
ambulant : itinerant salesman, peddler
amende : fine, penalty
amiable : amicable
ANCE : Agence Nationale pour la Création et le Développement des Nouvelles Entreprises : national agency for the creation and development of new business
année : year
année civile : calendar year
année comptable : accounting year
année fiscale : fiscal year
année fiscale : fiscal year
année social : business trading year
annexe : attached, appended
annexe d'un document : rider
annonce : announcement
annonce légale : legal notice
annuaire du commerce : trade directory
annuaire par profession : trade directory
anonyme : anonymous
ANPE : Agence Nationale Pour l'Emploi : national employment agency
APCE : Agence Pour la Création d'Entreprises : agency for the creation of companies
APEC : Association Pour l'Emploi des Cadres : employment agency for professionals
apport : contribution
apport de capitaux : contribution of capital
apport de fonds : capital brought into a business
apport en espèces : contribution in cash
apports en nature : contribution in kind
apports en société : assets brought into business, capital

invested
apposer : to affix, to place
apposer sa signature : to sign one's name
apposer sa signature : to sign one's name
arrêt de comptes : closing of accounts
artisan : craftsman
ASSEDIC : Associations pour l'emploi dans l'industrie et le commerce : employment agencies for industry and commerce
assemblée : meeting
assemblée constitutive : statutory meeting
assemblée générale : general meeting
assemblée générale extraordinaire : special general meeting
assemblée ordinaire : ordinary meeting
assignation à comparaître : summons, subpoena
assigner : to summon, to subpoena
association : association, partnership
association à but lucratif : profit-making association
association à but non lucratif : non-profit-making association
associé : partner
associé commanditaire : limited partner, silent partner
associé en nom : active partner
associé gérant : managing partner
associé majoritaire : senior partner
associé principal : senior partner
assujetti à : liable to, subject to
assujetti à l'impôt : taxpayer
assurance : insurance
attestation : certificate, testimonial
attestation sous serment : affidavit
attribution : assignment, granting
audience : hearing by the court
authentique : authentic, genuine
autorité compétente : relevant authority
avance sur nantissement : advance against a pledge of collateral
Avant-contrat : preliminary contract
avis : advice, notice
avis d'écheance : order to pay
avis d'expert : expert opinion
avis de réception : acknowledgement of receipt
avocat : barrister-at-law, attorney, lawyer
avoir : assets, credit
avoir social : registered capital

avoirs financiers : financial assets
Ayant droit / Bénéficiare: Beneficiary
ayant droit : eligible person, rightful owner
for unemployed persons wishing to create, or takeover, a company

B

Menu

bail : a lease, a rental contract
bailleur : lessor, renter
bailleur de fonds : financial backer, sleeping partner (of a business)
banque de commerce : trade bank
banque de données : data bank
base de données : data base
bénéfice : profit
bénéfice annuel : annual profit
bénéfice brut : gross profit
bénéfice brut : gross profit
bénéfice net imposable : taxable net profit
bénéfices des sociétés : corporate profits
biens : assets, property
bilan : balance-sheet, statement, results
bilan de liquidation (faillite) : statement of affairs (in bankruptcy)
bilan de liquidation : winding-up balance
bilan déficitaire : balance sheet showing a loss
bilan social : social audit
bilan-actif : statement of assets
bilan-passif : statement of liabilities
BODACC : Bulletin Officiel Des Annonces Commerciales : official bulletin of civil and commerical notices
bordereau : statement, invoice
bordereau de cotisation : contribution receipt
bordereau de quittance : receipt
bordereau de salaire : wage slip, pay slip/stub
brevet : patent
brut : gross
bulletin : bulletin, form
bulletin d'adhésion : proof of membership form
Bureau des Hypothèques: Mortgage Office

C

Menu

CA : chiffre d’affaires : turnover, sales
cachet de la poste : post-mark
Cadastre : Land Registry Office
cadre : manager, executives
caisse : fund; pay-desk
caisse d’assurance maladie : health insurance fund
Caisse d’Assurance Maladie des Professions Indépendantes (CANAM) : health insurance fund for professionals
caisse d’assurance vieillesse : old-age pension fund
caisse de retraite complémentaire : supplementary pension fund
caisse de retraites : pension fund
caisse de sécurité sociale : social security office
Caisse des Dépôts et Consignations : deposit and consignment office
Caisse Interprofessionnelle de Prevoyance et d’Assurance Vieillesse (CIPAV) : inter-professional pension fund
Caisse Nationale d’Assurances Maladie des Travailleurs Salariés : national health insurance fund for salaried employees
Caisse Nationale des Barreaux Français (CNBF) : pension fund for professionals
Caisse Nationale Vieillesse des Professionss Libérales (CNAVPL) : pension fund for the legal profession
Caisse Primaire d’Assurance Maladie (CPAM) : national health office
capital d’apport : initial capital
capital d’apport : initial capital
capital social : registered capital
capital social : registered capital, authorized capital
carte d’identité : identity card
carte d’identité : identity card, ID card
carte de commerçant étranger : non-French trading permit
carte de séjour : residence permit
casier judiciaire : criminal record
casier judiciaire : police record

casier judiciaire vierge : clean record
caution : guarantee, security
cautions conjointes et solidaires : sureties liable jointly and severally
CCIP : cf. ***Chambre de Commerce et de l'Industrie de Paris***
Cébiteur debtor
CEE : Communauté Economique Européenne : EEC, European Economic Community
Centre de Formalités des Entreprises (CFE) : centre for administrative formalities (official paperwork required for registering and reporting company activity)
Centre de Gestion Agréés (CGA) : like the AGA (Association de Gestion Agréée), the CGA offers management and accounting assistance to commercial companies and artisans. Membership in a CGA qualifies the company for reduction in taxes.
Centre Français du Commerce Extérieur (CFCE) : French centre for foreign trade
CERFA : printed forms most often used by companies for officical paperwork
certificat : certificate, testimonial; receipt
certificat d'expertise : expert's report
certificat d'immatriculation : certificate of registry
certificat d'immatriculation : registration certificate
Certificat de mariage (Livret de famille) : Mariage Certificate
Certificat de naissance : Birth Certificate
certificat hypothécaire : mortgage certificate
certification : witnessing of signatures
cessation de commerce : winding-up a business
cessation de paiements : suspension of payments
cessation des paiements : suspension of payments
cession : transfer
cession de bail : transfer of lease
cession de parts : stock transfer
cession-bail : lease-back
CFCE : cf. ***Centre Français du Commerce Extérieur***
CFE : cf. ***centre de formalités des entreprises***
Chambre de Commerce et de l'Industrie de Paris (CCIP) : chamber of commerce and industry of Paris
Chambre de Conseil : court chambers
Chambre des métiers : guild chamber
Chambre des Métiers : guild chamber of trade
chambre syndicale : employers' federation
charges fiscales : tax expenses
charges sociales : social security contributions, payroll taxes
chef d'entreprise : company director

chef d'entreprise : company manager/director
chiffre d'affaires : sales, turnover
chiffre d'affaires : turnover, sales figures
CIPAV : cf. ***Caisse interprofessionnelle de prevoyance et d'assurance vieillesse***
clé d'authentification : validation procedure for secure computer access
Clerc Clerk
clôture : conclusion, closure
clôture de la faillite : closing of bankrupcy proceedings
clôture de la liquidation : completion of liquidation
clôture pour insufficance d'actif : closing down bankruptcy proceedings when there are insufficient funds to pay legal and other expences
commanditaire : limited partner
commanditer : to finance
commerçant : merchant, tradesman, businessman
commerçant indépendant : independent retailer, sole trader
commerce : business, commerce, trade
commis-greffier : assistant to the registrar/clerk of the court
commissaire : appraiser, assessor, auditor
commissaire aux comptes : auditor
compétent : appropriate, relevant; competent
complémentaire : additional
Compromis : Preliminary contract
comptabilité : accounting, accounts
compte : account
compte bancaire : bank account
compte bloqué : escrow account, blocked account
compte commercial : business account
compte courant : current, checking account
compte de liquidation : realization account
compte de résultats : profit and loss account
comptes annuels : annual accounts
comptes approuvés : certified accounts
comptes d'apport : capital accounts
condition suspensive suspensive condition
conforme : certified
conseil : advice, counsel
conseil d'administration : board of directors
conseil de direction: executive board
conseil de surveillance : supervisory board; committee of inspection
Conseil des Prud'hommes : conciliation court for labour disputes, industrial tribunal

conseil des prud'hommes : labour arbitration board
conseil en propriété industrielle : patent lawyer
conseil fiduciaire : board of trustees
conseil fiscal : tax consultant
conseil juridique : legal adviser
conseil juridique : legal adviser
conseil national du patronat français : French national employers' federation
Conseil Supérieur de l'Ordre des Experts-Comptables : national order of chartered accountants. They can deliver a list of qualified accountants in the region.
Conseil Supérieur du Notariat : national order of notaries
constat : report
constat d'huissier : affidavit drawn-up by a bailiff
constituer une société : constitute a company, to
constituer une société : to constitute a company
constitutif : constituent
constructibilité constructibility
contrat : agreement, contract
contrat d'association : deed of partnership
contrat d'assurance : insurance policy
contrat de bail : lease/rental agreement
contrat de location : rental agreement, leasing contract
contrat de location : rental contrat
Contrat de mariage : Mariage contract
contrat de nantissement : pledge ageement
contrat de société : deed of partnership
contrat notarié : deed of agreement drawn up and authenticated by a notary
contrat sous seing privé : private agreement made in writing but not witnessed and sealed; private contract
contrôler : to check, inspect
convocation : notification; summons
copie authentique : authentic copy
copie certified conforme : certified true copy
Co-propriété indivise: Tenancy in common
cote : classification mark, reference number
cote et paraphe : mark and initial
cotisation : contribution
cotisations sociales : social security contributions
cour : court
cour d'appel : court of appeal
cour de cassation : supreme court of appeal

cour de renvoi : court of appeal to which the cour de cassation refers cases after it has annulled a judgement given by a previous court of appeal
cour des comptes : revenue court
CPAM : cf. ***Caisse primaire d'assurance maladie***
créance : debt, claim
créance : debt, claim
créance irrécouvrable : irrecoverable debt
créance litigieuse : contested claim
créance privilégiée : preferential debt, senior debt (the debt to be paid before all other debts)
créance privilégiée : preferential, preferred or secured debt
créances exigibles : debts due
créancier : creditor
créancier hypothécaire : mortgage creditor
créancier privilégié : preferential, or secured creditor
créancier privilégié : privileged or secured creditor
Créanciers creditor
créateur d'entreprise : entrepreneur
création : creation, setting-up
création d'entreprise : new business start-up
crédit bail : leasing
dans les délais : within the alloted time limit

D

Menu

DATAR : Délégation à l'Aménagement du Territoire et à l'Action
DDTEFP : Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle : Departmental agency for labour, employment and professional training
débiteur : debtor
débiteur hypothécaire : the debtor
déclaration : declaration, statement

déclaration de cessation de paiement : declaration of bankruptcy
déclaration de conformité : statement of compliance
déclaration fiscale : tax return
décret : decree
déficitaire : deficit, negative
délai : time limit
démarche : step, procedure
démarches nécessaires : required procedures
demeure : stay
déposer : deposit
déposer les statuts : to register a company
déposer sa demande de déclaration en faillite : to file a petition for bankruptcy
déposer son bilan : file a petition for bankruptcy
déposer son bilan : to file a petition in bankruptcy
dette : debt
directeur commercial : sales manager
directeur d'agence : branch manager
directeur financier : financial director
directeur général : managing director, chief executive officer (CEO)
directeur gérant : general manager
directeur/directrice : director, manager
direction : management
Direction Régionale du Commerce Extérieur (DRCE) : regional direction for foreign trade
directoire : board of directors
dirigeant : director, manager
dissolution d'une société : the winding-up of a company
documents annexes : enclosures
documents joints : documents enclosed
domicile : place of residence
domicile légal : official residence
domiciliation : domiciliation, establishing an official business address
Donation: Life time gifts
données : data
donner en nantissement : to give something as security
dresser le bilan : to draw up the balance-sheet
droit : law, right
droit civil : civil law
droit commercial : commercial law
droit commun : ordinary law

droit de nantissement : lien on goods
droit de travail : labour law
droit des affaires : business law
droit des sociétés : corporation law
droit fiscal : fiscal law
droit pénal : criminal law
droit social : labour law
droits de mutation land transfer tax

E

Menu

EDF : Electricité de France : The French electricity company
émoluments du greffe : registration fees for the greffe
employé : employee
employeur : employer
emprunt : loan
Emprunter : To borrow
en exercice : practicing, in office
enregister : to register
enregistrement : registration
enregistrement d'une société : incorporation of a company
enregistrer un acte : record a deed
entrepôt : warehouse
entreprise : business, company
entreprise artisanale : cottage industry, handicraft entreprise
entreprise individuelle : one-man business, sole ownership, sole-trader
entreprise unipersonnelle à responsabilité limitée (EURL): private limited company under sole ownership
EPIC : Etablissement Public à Caractère Industriel et Commercial : public utility company
établissement : establishment; drawing-up
établissement des documents requis : drawing-up the required paperwork

établissement principal : main office
établissement public : public corporation
état civil : civil status (birth, death, marriage)
état civil civil status
être déclaré en faillite : adjudicated bankrupt
EURL : Entreprise Unipersonnelle à Responsabilité Limitée : private limited company under sole ownership
execice fiscal : taxable year
exercice : practice
exercice budgétaire : fiscal year
exercice commercial : trading year
Exigible Due
exonéré d'impôt : exempt from tax
expertise : expert testimony
expertise judiciaire : court-ordered expert report
exploitant agricole : farmer
exploitant agricole : farmer
extrait : excerpt, extract
extrait certifié conforme : authenticated abstract
extrait d'acte d'état civil : birth, death, marriage certificates
extrait d'immatriculation au RCS : certificate of registration at the RCS
extrait du casier judiciare : certificate delivered by the Ministry of Justice; abstract of non-criminal record from police records
extra-judiciaire : extrajudicial; an action taken outside of the court

F

Menu

facture : invoice, bill
Facture : Bills / Invoice
faillite : bankruptcy
faire faillite : to go bankrupt
faire une expertise : to evaluate (something)
fiduciaire : fiduciary
filiale : subsidiary, branch office
fin de l'exercice : end of the financial year
fiscal : fiscal, tax
FNGS : Fonds National de la Garantie des Salaries : national fund for salaried employees
fonction : office, post
fondé de pouvoir : authorized agent
fondé de pouvoir : authorized representative, proxy

fonds : capital, funds
fonds de commerce : business
forclusion : foreclosure
formalités administratives : administrative procedures
formulaire : form, questionnaire
frais : fees, charges
frais d'enregistrement : registration fees
Frais d'enregistrement Registration Fee
frais de liquidation : liquidation costs
frais juridique Legal fees
fusion : merger
fusion horizontale : horizontal merger
fusion légale : statutory merger
fusions et acquisitions : mergers and acquisitions

G

Menu

Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) unemployment insurance for entrepreneurs and company owners
Géomètre : Land surveyor
gérance : management
gérant : manager, managing agent
gestion : management
GIE : groupement d'intérêt économique : economic interest grouping
greffe : the registry office of the commercial court
greffier : registrar see: fonctions du greffier
guichet : counter, desk

H

Menu

Héritiers et ayants droit : heirs and assigns
Héritiers légaux : legal heirs
honoraires : professional fees
Honoraires d'agence Immob. Agency fees
honoraires et frais d'experts Adjusters' fees and expense
huissier audiencier : court usher
huissier de justice : bailiff, process-server
hypothécaire : mortgage
hypothèque : mortgage
Hypothèque : Mortgage

I

Menu

identité : identity
immatriculation : registration
immatriculer : to register
Immobilier : Real estate
impayé : unpaid
implantation : setting up (a business)
imposable : liable to tax
imposé : taxpayer
impôt : tax
impôt sur le revenu : income tax
impôt sur les sociétés : corporate tax
imprimé : printed form
Indivision : coparcenary –Undivided possession

injonction de payer : order to pay off a debt
INPI : Institut National de la Propriété Industrielle : national institute for industrial property
inscription : enrolment, inscribing, registration
inscription au registre du commerce : registration in the trade register
INSEE : Institut National de la Statistique et des Etudes Economiques : French national institute of statistics and economic surveys
insuffisance : insufficiency, lack of funds
interdiction de gérer : prohibited from managing a business
invalidité d'un document : an invalid/worthless document

Menu

joindre : to attach or enclose documents
joint : joint
Journal Officiel : Bulletin Officiel Des Annonces Commerciales (BODACC) : official bulletin of civil and commercial notices
judiciaire : judicial
juge : judge
juge commis auprès du RCS : judge appointed by the president of the commercial court to supervise the RCS
juge commissaire : official receiver
juge compétent : judge entertaining jurisdiction
juge consulaire : judge in a commercial court; tradesman judging his peers in a commercial court
juge d'appel : judge in appeal
juge d'instruction : examining judge
juge rapporteur : official referee
jugement : judgement, decision, award
jugement d'adjudication : adjudication of forced sale
jugement déclaratif de faillite : adjudication order
jugement exécutoire : enforceable judgement

juridiction : jurisdiction
juridiction administrative : administrative jurisdiction
juridiction commerciale : commercial jurisdiction
juridique : juridical, legal
jurisprudence : statute law
juriste : legal counsel
justicatif de domicile : proof of domicile
justiciable : a person subject to the law within a jurisdiction
justificatif : documentary evidence
justification : warrant, proof

K

Menu

K : certificate of incorporation with the RCS for one-man business (sole-trader) (proof of registration with the RCS)
Kbis : certificate of incorporation with the RCS for companies (proof of registration with the RCS)

L

Menu

légal : legal, statutory
légataire : legatee
Légataire : residuary devisee and legatee
lettre annexe : covering letter
lettre d'avis : advice notice
lettre recommandée avec accusé de réception : registered letter with recorded delivery
licenciement : dismissal from a company
liquidateur : liquidator, receiver
liquidateur judiciaire : official receiver, referee in bankruptcy proceedings
liquidation : winding-up, liquidation of a company
liquidation de la faillite : final settlement in bankruptcy proceedings
liquidation de la faillite : settlement of bankruptcy proceedings
liquidation forcée : compulsory liquidation
liquidation judiciaire : liquidation by order of court; closing-out or winding-up of a company under court supervision
liquidation judiciaire : to be placed under a court-supervised receivership
litige : dispute, litigation
litige commercial : commercial dispute
livre de comptabilité : accounts book
livre journal : day book (of company records)
location : rental, renting
location-gérance : lease-management
loi : law

M

Menu

magasin : shop
main-d'oeuvre : workforce
majoritaire : majority

mandat : power of attorney, proxy
mandataire : authorized agent, representative, proxy
mandataire de justice : a representative of justice
manuscrit : hand-written
marchand : shopkeeper, merchant
marchand ambulant : peddler, itinerant merchant
marque de fabrique : trademark
marque déposée : registered trademark
mémorandum : memorandum
métier : business, trade
mise en demeure : formal notice, summons
mise en demeure de payer : final demand prior to legal action
mise en faillite : adjudication of bankruptcy
modalités de règlement : terms of payment
modification : modification, change
modification des statuts : changes made to the articles of association
moral : moral

N

Menu

nantissement : collateral security; pledging
nantissement sur marchandises : pledge of goods
nantissement sur titres : pledge of securities
nom : name
nom commercial : trade-name
nom de famille : surname, last name
nom de jeune fille : maiden name
nom déposé : registered name

nomination : appointment
non-redressement : non-turnaround of a company; failure to recover
notaire : notary. He authenticates deeds, draws up contracts and performs many of the functions of a solicitor (GB) or contract lawyer (US)
Notaire : Solicitor – Notary public
notarié : a document drawn up before a *notaire* or lawyer
numéro d'enregistrement : registration number

O

Menu

objectif de l'entreprise : corporate objective
obligation légale : legal oblgation
office : automatically
opposable : opposable, a fact that can be opposed
ordonnance de référé : injunction order
ORGANIC : Caisse nationale de l'organisation autonome d'assurance vieillesse des travailleurs non salariés des professions industrielles et commerciales : pension fund for non-salaried industrial and commercial professions
ouvrier : worker

P

Menu

P.V. : cf. ***procès-verbal***
paiement : payment
paiement électronique : electronic payment (via a computer)
paraphe : initials
parapher : to initial
passif : passive
passif et actif: liabilities and assets
Passport : Passport (ID)
Patrimoine : Patrimony
signature : closing
PDG : Président Directeur Général : General and Managing Director (GB); Chairman and President (US)
pépinière d'entreprises : business incubators (help for business start-ups)
pépinières d'entreprises : business incubators
Permis de construire: Buildiing permission
personne : person
personne autorisée : authorized person
personne morale : legal entity, corporate body
personne morale : legal entity; corporate body
personne physique : natural person, an individual
perte : loss
perte brute : gross loss
perte en capital : capital loss
perte sur créance : bad debt loss
petit agriculteur : smallholder
petit commerçant : small shopkeeper, owner of a small business
petits-enfants : grandchildren
pièce : document
pièce administrative : administrative document
pièce authentique : original document
pièce d'identité : identity papers
pièce d'identité : proof of identity
pièce justicative : written proof
pièce justificative : documentary proof

pièces à fournir : documents to be presented
pièces jointes : documents attached, enclosures
pièces jointes : enclosures
plus-value capital gain
PME : Petites et moyennes entreprises : small and medium size companies
pouvoir : power of attorney, proxy
pouvoir judiciaire : judicial power
préemption pre-emption
président du conseil d'administration : chairman of the board
président du directoire : chairman of the board
prestations sociales : social security benefits
Prêt : Loan
Prêter: To lend
privilège : preferential right; lien
privilège de créancier : creditor's preferential claim
privilégié : privileged
prix de cession : transfer price
procédure collective : collective action
procédure de faillite : bankruptcy proceedings
procès : action at law, law-suit
procès-verbal (P.V.) : report, statement; minutes of a meeting
procuration : proxy, power of attorney
Procureur de la République : Public Prosecutor
professions libérales : the professions (architect, doctor, lawyer, journalist, etc., for which a specific diploma is required)
profit : profit
profit brut : gross profit
profit de l'exercice : profits for the period
profit net : clear profit
promesse unilatérale de vente offer to sell
propriétaire : owner
propriété : property
propriété industrielle : industrial property, patent rights
protêt : protest
prud'homme : conciliator, member of the industrial tribunal
publicité : obligatory publication of legal notice in an authorized newspaper

Q

Menu

qualification : qualification
qualification professionnelle : professional qualification
qualité : function, title, position
quittance : receipt
quittance d'électricité : electricity bill
quittance de loyer : rent receipt

R

Menu

radiation : removal from a register, deregistration
radiation d'office : automatic removal
radiation d'office : automatic removal (from the register)
radier : to delete, to cancel; to be removed from
raison sociale : name of company
rapport d'expertise : expert's report
RCS : Registre du Commerce et des Sociétés : register of commerce and trade
récépissé : written acknowledgement of receipt

recouvrer une créance : to collect a debt
redressement : turnaround, recovery; correction or adjustment of a business in difficulty
référé : expedited judicial proceeding
Régime matrimonial : Tyoe of antenuptial settlement
Régionale : regional development agency
registre : register
registre des actionnaires : register of stockholders
registre des salaires : payroll
registre des sociétés : register of companies
registre du commerce : trade register
réglement à l'amiable : to settle an affair out of court
règlement des créances : settlement of debts
règlement des successions : death settlement
relevé d'identité bancaire (RIB) : information identifying one's bank account
relevé de déchéance : statement of forfeiture
remplir : to fill in
remplir un formulaire : fill out a form
remplir une formalité : to comply with a formality
répertoire de propriétaire : owners' directory
Répertoire des Métiers : Trade Directory
reprendre une affaire : to take over a business
représentant accrédité : authorized agent
représentant légal : legal representative
reprise d'entreprise : takeover of a business
reprise des affaires : business recovery
requête : request
requête de faillite : petition in bankruptcy
résiliation d'un contrat : cancellation of a contract
responsabilité : responsibility
responsabilité conjointe et solidaire : joint and several liability
retraite : retirement
revendication : claim
rez-de-chaussée : ground floor; first floor (US)
RIB : relevé d'identité bancaire : bank reference identification
RMI : revenu minimum d'insertion : income support

Menu

SA : société anonyme : public limited liability company
SA : joint stock company - business corporation
saisie-arrêt : garnishment, attachment

SARL : Limited liability Company
SCA : société en commandite par actions : partnership limited by shares
scission : the act of dividing; separation, division
SCP d'avocats : non-trading law firm
SCS : société en commandite simple : limited partnership company
service compétent : appropriate service
Service du Casier Judiciaire : criminal records
servitudes easement - servitude
siège social : head office, registered office
signature : signature
signature par procuration : proxy signature (signature made by an authorized agent)
SNC : société non commerciale : non-trading partnership
Société : business, company
société à but non lucratif : non-profit organization
société à capital variable : variable capital company
société à responsabilité limitée (SARL) : limited liability company
société à responsabilité limitée (SARL) : private limited liability company
société affiliée : affiliated company
société anonyme (SA) : public limited company (PLC)
société anonyme par actions : joint-stock company
société civile : non-trading company
société commerciale : commercial company
société d'économie mixte : semi-public company
société d'Etat : state-owned company
société d'exercice libéral : a company with a professional activity
société d'exploitation : operating company
société d'utilité publique : public utility company
société de gestion : management company
société des conseils : consultancy company
société en nom collectif : general partnership
société en nom collectif : partnership
société fiduciaire : trust company
société immobilière : real-estate company
société mère : parent company
société multinationale : multinational company
société par actions : joint-stock company
société privée : private company
société publique : state-owned company
société transnationale : transnational company
solde passif : debit balance

statut : status
statut fiscal : tax status
statut légal : legal status
statuts d'une société : memorandum and articles of association; Articles of Incorporation (US)
Succession / Héritage : Inheritance

T

Menu

Terrain: A plot of land
Testament : Will
tierce personne : third party
tierce personne : third party (a person in a case other than the principals)
Tontine : Tontine
Descendants : descent
enfants : Children
transmission des données : data communication
travail : work
travail à domicile : work at home
travailleur indépendant : self-employed person
Trésor Public : Treasury
tribunal : court
tribunal de commerce : commercial court
tribunal de commerce : commercial court
tribunal de grande instance (TGI): Department/district court
tribunal des conflits : jurisdictional court
tribunal judiciaire : judicial court

U

Menu

UNEDIC : Union Nationale pour l'Emploi dans l'Industrie et le Commerce : national union for industrial and commercial employment
URSSAF : Union pour le Recouvrement des Cotisations de la Sécurité Sociale et des Allocations Familliales : social security contribution collection office
usine : factory

V

Menu

valider : to authenticate a document
Vendeur : Vendor
vente à domicile : selling door-to-door
vente judiciaire : court-ordered sale
Vente : Sale
vérification : inspection, verification
vérification d'identité : identity check
vérification de clôture : year-end audit
vérification des comptes : auditing the accounts
vérification du bilan : balance sheet audit
vérification fiscal : tax audit
volume d'affaires : turnover, sales figures

Menu Notariat

FICHES THEMATIQUES

- MEETING PEOPLE
- SAYING GOODBYE
- TELEPHONING
- WELCOMING A VISITOR
- STAYING AT A HOTEL
- AT A RESTAURANT
- MAKING ARRANGEMENTS
- OPINIONS AND SUGGESTIONS
- INVITATIONS
- OFFERS AND REQUESTS

- ASKING FOR INFORMATION
- SOCIAL RESPONSES
- ASKING FOR HELP

AUTRES

MEETING PEOPLE

Introductions

May I introduce myself ?
Can……

My name's...(Francis O'Hara).
I'm...(Claire Chazal)

May I introduce a good friend of mine ?
Can ……

This is...(Jerry Adams)

Excuse me, are you... (Jane Seymour) ?
Hello, you must be... (Robert Redford).

I'd like to introduce you to ....(John Major)
Let me ……

How do you do Pleased to meet you Please call me...(Elmer)	How do you do Pleased to meet you Then you must call me...(Gaston)

Greetings

Hello...(Edward)
Good to see you
Nice …….

How are you ? How are things ? How's the family ?	Fine, thanks. And you ? Not too bad, thanks. Very well, thank you.

Good morning
afternoon
evening

*We only say *Good night* when we are leaving. We don't use it as a greeting.

Haut

SAYING GOODBYE

I must go now
We really must leave now
I must be off

It was very nice meeting you Have a good trip journey flight I hope to see you again	I really enjoyed meeting you, too Thank you I hope so, too

I look forward to... (seeing you again).

I'm looking forward to...(our next meeting).
See you on the ...(2 August)
next week
soon

Have a good trip back
flight back

Thanking for hospitality

Thank you for inviting us
for everything
very much for your hospitality
Thanks a lot

We've had a wonderful time
It was really enjoyable
I really appreciated it
Everything was great

Responding to thanks

I'm glad you could come
enjoyed it
found it interesting
liked it

Menu

TELEPHONING

Making contact

Hello. This is... (Jacques Chirac)

Is that...(Sandra Brown) ? I'd like to speak to...(Mr. Elstob) Could I speak to....(John Smith)	Yes, speaking Who's calling please ? May I ask who's calling, please ?

I'm calling about... (the letter I sent you).
Hold the line, please.

I'm sorry... (Mr. Smith) is in a meeting at present
I'm afraid... (he's) busy at the moment.
(she) isn't here.

Leaving a message

Can I take a message ?
leave a message ?

Could you take a message ?
Could you ask...(her) to call...(Peter Hall) ?
tell...(him) that... (David Gates) called ?

Could you spell...(your name), please ?
What's your number, please ?

Menu

WELCOMING A VISITOR

The journey here

Did you have a good journey ?
How was your flight ?
Did you have any problems finding us ?
How did you get here ?
Are you here on business ?

Work

What do you do ?
Where do you work ?
What are you working on currently ?

The weather

What was the weather like in...(Madrid) ?

Travel and holidays

Do you travel a lot ?
Which countries do you visit ?
Where did you spend ...(your last holday) ?

The visitor
Where do you live ?
Which part of the country/city is that ?

First impressions
What do you think of...(the new plant) ?
Is this your first visit to...(London) ?
How long are you here for ?

Sports and leisure
What do you do at the weekends ?
Do you play any sports ?

News
What the latest news on...(the election) ?
Is there any news about...(the conference) ?

Menu

STAYING AT A HOTEL

Booking a Hotel

I'd like to book a single room for 4th April
double

Arriving at a Hotel
I have a reservation

Making requests
I'd like a room, please
Could I have an early moring call, at 6 :30 ?

Could I have my bill, please ?
Can I pay by credit card ?

Menu

AT A RESTAURANT

Recommending

What do you recommend ?
The...(seafood) is usually excellent here.
I recommend the...(lobster)

Ordering

I'll have...(the smoked salmon)
We'll

I'd like..(the roast turkey)
We'd

Could we have...(a bottle of mineral water) ?

Offering

Do have some more...
What about...(dessert) ?
How about...(some strawberries)
Would you like...(a coffee) ?

Accepting

Yes, I'd like that
Yes, that would be very nice.

Declining

Thank you, but I couldn't eat any more

Thanking and responding

Thank you for an excellent meal. Thank you for a lovely evening.	Not at all. It was my pleasure. I enjoyed it very much, too.

Menu

MAKING ARRANGEMENTS

Making an appointment

When would be convenient for you ?
could we meet ?
What time are you free ?
would suit you ?

Shall we say....(next Tuesday) ? Is...(9 :30) possible for you ? How about....(Friday) ? What about...(the afternoon) Could we arrange...(to have lunch) ?	Yes,...(Tuesday) suits me fine. Yes, that's fine. Yes, I can make it on...(Friday) No, I'm afraid I'm busy then No, I'm afraid I've got another appointment then

I look forward to meeting you on...(Wednesday)
See you... (next week).

Changing an appointment

I'm very sorry I have to cancel the appointment on...(Friday)
I'm afraid I can't manage our meeting...(tomorrow)
Could we arrange another time ?

Menu

OPINIONS AND SUGGESTIONS

Asking for opinions	Giving opinions
What do you think about..(the design) ? What's your opinion of...(the quality) ? How do you feel about...(the price) ?	In my opinion...(it's excellent) I think...(it's rather expensive)

Agreeing	Disagreeing
I agree I certainly agree with that I agree completely	I'm afraid I don't agree I'm sorry, but I disagree

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Asking for Suggestions	Accepting suggestions
Do you have any suggestions for...(the agenda) ? Any ideas on.(the parking problem) ?	Yes, that's a good idea Yes, let's do that

Making suggestions	Rejecting suggestions
I suggest... (we meet at the hotel) ? How about.. (going by plane) ? What about..(giving a talk) ? Why don't we...(have a meeting) ? Why not...(finish with a party) ? We could...(arrange a tennis tournament).	Yes, but...(it's too far away). I'm not sure about that. I'm afraid I don't like that idea.

Menu

INVITATIONS

Accepting

Inviting	Accepting
I'd like to invite you to...(have dinner with me) Would you join us...(for a game of tennis) ? Would you like to...(come swimming) ? Why don't you...(have lunch with us) ? How about...(joining us) ?	Thank you. I'm delighted to accept. Thank you. I'd love to. **Declining** I'd love to, but...(I'm afraid I can't) Thanks a lot but...(I've made another arrangement)

Menu

OFFERS AND REQUESTS

Offering Shall I...(open the window) ? Do you want me to...(post the document for you) ? If you like, I can...(give you some help) Would you like me to...(arrange a meeting)	Accepting Yes, please Thank you That's very kind of you Declining Thanks, but please don't bother Thanks, but that won't be necessary That's very kind of you, but...(I can manage)

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Requesting Can you...(come tomorrow) ? Could you...(write her a message) ? Would you...(book the hotel) ? Do you think you could..(check it) ? Would you mind...(checking it) ? Do you mind...(checking it) ?	Agreeing Yes, of course Yes, certainly Not at all. No, of course not.

Refusing

I think that will be difficult...(There isn't enough time)
I'm afraid not...(I'm very busy)
I'm sorry, but that's not possible...(I'm leaving now)
I'm afraid not.

Menu

ASKING FOR INFORMATION

Asking

I'd like some information about...(flights to Paris)
I'd like to know...(how long it takes).
Do you know...(when the train arrives) ?
Can you tell me...(how often the trains leave) ?
Could

Showing understanding
I see
Right, I've got that.
So, ...(the next train's half an hour)

Asking for repetition
Could youu repeat that, please ?
Could you say that again ?

Checking
Let me check
I'll look that up

Apologizing
I'm afraid I don't have any information about...(domestic flights)

Menu

SOCIAL RESPONSES

Thanking Thanks for all your help Thank you for your advoce	Don't mention it Not at all you're welcome

Apologizing Sorry I'm late I'm sorry. I've broken a glass	It doesn't matter Don't worry Never mind

Asking for repetition
Sorry ?
Pardon ?
Could you repeat that, please ?
I'm sorry, I didn't catch that...(your name)

Asking and giving permission May I sit here ? Could I use your phone Do you mind if open the window ?	Yes, of course Please, do. No, not at all.

Refusing permission Could I borrow your car ? Do you mind if I smoke ?	Sorry, but I need it. Well, I'd rather you didn't

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Giving and passing things Have you got the tickets ? Could you pass the bread, please ?	Yes, here they are. Yes, here you are.

Expressing surprise They've got six children now	Really ?
Responding to good news Alice is expecting a baby	Congratulations ! That's great !
Responding to bad news I failed to make the promotion	Oh, I'm sorry to hear that.
Responding to good wishes Have a good weekend I hope you enjoy your holiday	Thanks. You too. Thanks, and the same to you.

Menu

ASKING FOR HELP

Sorry, I don’t understand
I don’t know what.....(‘currently’) means
What does...(‘working knowledge’) mean ?
What do you call this in English ?
Could you say that again, please ?
Could you repeat that, please ?
Could you speak more slowly, please ?
Could you spell that, please ?
Could you write that down, please ?

Menu

COURSE LIST

- CHAPTER 1 : THE NETWORKing COMPANY
- CHAPTER 2 : CATCHING THE WAVE
- CHAPTER 3 : MASTERING MAIL
- CHAPTER 4 : NEWSGROUPS
- CHAPTER 5 : FORUM I
- CHAPTER 6 : FORUM II
- CHAPTER 7 : TEAMWORKING I
- CHAPTER 8 : TEAMWORKING II
- CHAPTER 9 : PROJECT
- CHAPTER 10 : REPORTS